

PLEASE RECEIPT AND RETURN

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UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF CALIFORNIA~~SECRET~~
JUDGE ECONOMUS

(February 2000 Grand Jury)

01 CR 1415BTM

UNITED STATES OF AMERICA,

Criminal Case No.

Plaintiff,

INDICTMENT

v.

Title 18, U.S.C., Sec. 371 - Conspiracy to Commit Wire Fraud, Mail Fraud, Securities Fraud and to Defraud Agencies of the United States; Title 18, U.S.C., Sec. 1343 - Wire Fraud; Title 18, U.S.C., Sec. 1341 - Mail Fraud; Title 18, U.S.C., Sec. 1956(h) - Conspiracy to Commit Money Laundering; Title 18, U.S.C., Sec. 1956(a)(1)(A)(i) - Money Laundering (Promotion); Title 26, U.S.C., Sec. 7206(1) - Filing a False Tax Return; Title 26, U.S.C., Sec. 7201 - Tax Evasion; Title 18, U.S.C., Sec. 982(a)(1) and 1956(a)(1)(B) - Criminal Forfeiture; Title 18, U.S.C., Sec. 2 - Aiding and Abetting

MARC DAVID LEVINE (1),
JONATHAN EDWARD SHOUCAIR (2),
JAMES MICHAEL LEONARD (3),
ROBERT HARRY SHIELDS (4),
ROBERT TERRANCE HART (5),
MARK DARREN McCLAFFERTY (6),
EUGENE DONALD EVANGELIST, JR. (7),
KENT BOLLENBACH (8),
BRENT DOUGLAS MORRIS (9),
MICHAEL OWEN GRAYSON (10),
JOSEPH ANTHONY MARFOGLIA (11),
SYLVAN MORGAN METOYER, III (12),
RODNEY SCOTT SHEHYN (13),
DAVID ZEIDEL DIAMAND (14),
JAMES THOMAS RISSMILLER (15),
ANTHONY MATTHEW CASTRIOTTA (16),
MARK ALLEN JACONSKI (17),
STEPHEN JAMES ROBINSON (18),
DANIEL SANDERS (19),
RICHARD YORK (20),

Defendants.

The grand jury charges:

I hereby attest and certify on 11/21/07
That the foregoing document is a full, true and correct
copy of the original on file in my office and in my legal
custody.SAP-DNR:San Diego (cd.rom.asf)
04/26/01I hereby certify that this instrument is a
correct copy of the original on file in my office.
Attest: Geri M. Smith, Clerk
U.S. District Court
Northern District of Ohio
By: *[Signature]*
Deputy Clerk

Introductory Allegations

1
2 1. This Indictment alleges violations of federal law committed in connection with the conduct
3 of telemarketing of "high-tech," telecommunications-related investment offerings by an organization
4 (hereinafter "the Enterprise") comprised of the defendants named herein and others known and
5 unknown to the grand jury.

6 2. As used in this Indictment, the following terms are defined as follows:

7 a. "Telemarketing" means a plan, promotion, or campaign that is conducted to induce (1)
8 purchases of goods and services, or (2) participation in a contest or sweepstakes, by use of one or more
9 interstate telephone calls initiated either by a person who is conducting the plan, program or
10 promotion, or campaign or by a prospective purchaser or contest or sweepstakes participant.

11 b. A "boiler room" is a business which engages in illegal telemarketing, that is, the sale of
12 goods or services or the solicitation of funds by means of materially false and fraudulent pretenses,
13 representations and promises, and omissions of material facts, conducted over the telephone.
14 Telemarketing sales of investment opportunities are often conducted by a boiler room described as
15 an "independent sales office" or "ISO";

16 c. In telemarketing sales of investment opportunities, a "pitch sheet" is a script designed
17 to be read over the telephone to a prospective investor. In states such as California, where pitch sheets
18 are required to be registered with the state, the pitch sheets rarely contain blatant misrepresentations
19 and, accordingly, rarely are read verbatim to investors;

20 d. A "rebuttal" is a prepared response to anticipated questions or objections which are often
21 raised by prospective investors after hearing the sales pitch.

22 c. A "prospect representative" or "PR" (also called an "opener") describes an employee of
23 a boiler room who has the initial contact with a prospective investor by telephoning the investor whose
24 name, address, telephone number and other personal information has been supplied as a "lead."
25 "Leads" are obtained by the boiler room/ISO management from commercial "lead brokers" who
26 collect and organize and sell such demographic information. It generally is the PR's responsibility to
27 "qualify" the "lead" by obtaining sufficient information from the investor to determine the investor's

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1 financial condition and likelihood of falling for the scheme. A PR will usually use a "pitch sheet" or
2 written script to entice the investor to remain on the telephone and provide information to the PR.

3 f. A "package request" is made by a PR or other salesperson, through the management of
4 the boiler room/ISO, to the administrative office to send a set of promotional materials, usually a
5 glossy, color brochure, legal memorandum and related information, to a prospective investor by means
6 of the mails and by private, commercial interstate carriers, such as Federal Express.

7 g. A "phone name" is a false name that a salesperson uses instead of his or her real name.
8 A salesperson may use several different telephone names, thereby allowing the salesperson to contact
9 the investor repeatedly and without the investor knowing the salesperson's true name.

10 h. A "closer" takes over the contact with a investor after the investor has been qualified,
11 but before the sale has been completed. The closer, who is a more experienced salesperson than the
12 PR, attempts to persuade the investor to invest by using rebuttals or other responses designed to
13 address a investor's skepticism about the investment. In telemarketing sales of investment
14 opportunities, closers are paid commission rates of 15-40% of the gross amount of the sale.

15 i. A "reload" is a sale to a investor who previously has purchased goods or services from
16 a boiler room. In telemarketing sales of investment opportunities, a reload sale may occur while a
17 particular investment offering is being sold to the public, or it may occur during the sale of a
18 subsequent investment offering by the same boiler room or salesperson.

19 j. As used in telemarketing sales of investment opportunities, the "load" is the percentage
20 of each investment dollar that is used to pay the overhead and commissions of the project promoter
21 and telemarketer, as compared with the percentage that is dedicated to the project development.

22 k. A "Telephonic Seller's Registration" is a document required by law to be signed under
23 penalty of perjury and filed with the California Attorney General's Office by the owner(s) of a
24 telemarketing company wanting to do telephonic sales in California, regardless of where that
25 telemarketing company is located. A Telephonic Seller's Registration, which is separate from a
26 license to transact business in the state, must be filed annually in California and it must include
27 specific information concerning the operations of the telemarketing company, including, for example,
28 where it is located; identifying and background information about the owner(s), management and sales

1 staff; descriptions of the items offered for sale; copies of pitches, materials and literature used by
2 salespersons to induce sales; and, a copy of the surety bond obtained by the telemarketing company.

3 Other states have similar telemarketing seller registration laws.

4 3. The Enterprise's Organizational Structure and Components. The Enterprise existed between
5 approximately July 1994 and approximately September 1998. Between approximately July 1994 and
6 approximately June 26, 1997, it designed, developed and marketed 12 investment offerings, each of
7 which was structured as a purported general partnership. Eight of the offerings were telemarketed
8 primarily by boiler rooms/ISOs in California and four were telemarketed primarily by boiler
9 rooms/ISOs in Florida. The last six of the 12 offerings were also telemarketed by boiler rooms/ISOs
10 in Nevada. As used in this Indictment, the relevant investment offerings and respective Initial and
11 Interim Managing Partners (hereinafter "Initial Managing Partners"), the Enterprise's corporate
12 headquarters, boiler rooms/ISOs, administrative offices, and defendant members of the Enterprise and
13 nominee entities they used are set forth below.

14 a. General Partnership Investment Offerings and Initial Managing Partners. At all times
15 material to this Indictment, the offerings telemarketed by the Enterprise, which were each described
16 to investors as a "turn-key" operation, included:

17 (1) Offerings Telemarketed Primarily in California.

18 (a) Touch Tone Partners (hereinafter "Touch Tone I") was an offering marketed
19 between approximately July 1994 and approximately January 1995 and purportedly engaged in
20 developing a business to offer 900-number, pay-per-call services to the Public. BMC Enterprises, Inc.
21 (hereinafter "BMC Enterprises") was a corporate entity purportedly engaged in the marketing and
22 management of the Touch Tone I general partnership. About 287 persons nationwide invested
23 approximately \$3,906,640 in the Touch Tone I offering.

24 (b) Touch Tone Communications II (hereinafter "Touch Tone II") was an offering
25 marketed between approximately January 1995 and approximately June 1995 and purportedly engaged
26 in developing a business to offer 900-number, pay-per-call services to the public. Granada Consulting,
27 Inc. (hereinafter "Granada") was a corporate entity purportedly engaged in the marketing and

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1 management of the Touch Tone II general partnership as the Initial Managing Partner. About 384
2 persons nationwide invested approximately \$5,010,000 in the Touch Tone II offering.

3 (c) Bureau Net (hereinafter "Bureau Net") was an offering marketed between
4 approximately June 1995 and approximately October 1995 and purportedly engaged in developing a
5 business to operate a 900-number, pay-per-call service bureau, in addition to servicing the Touch Tone
6 I and Touch Tone II enterprises. Telelink Management, Inc. (hereinafter "Telelink") was a corporate
7 entity purportedly engaged in the marketing and management of the Bureau Net general partnership
8 as the Initial Managing Partner. About 331 persons nationwide invested approximately \$4,980,000
9 in the Bureau Net offering.

10 (d) Future Net Partners (hereinafter "Future Net") was an offering marketed
11 between approximately October 1995 and approximately January 1996 and purportedly engaged in
12 developing a business to operate a home shopping mall on the Internet called Future Net Emporium.
13 Future Tech Development Group, Inc. (hereinafter "Future Tech") was a corporate entity purportedly
14 engaged in the marketing and management of the Future Net general partnership as the Initial
15 Managing Partner. About 360 persons nationwide invested approximately \$4,988,873 in the Future
16 Net offering.

17 (e) Home Net Partners (hereinafter "Home Net") was an offering marketed between
18 approximately January 1996 and approximately August 1996 and purportedly engaged in developing
19 a business to operate a home shopping computer market and merchandise outlet on the Internet called
20 Home Net Shopping. World Net Development Group, Inc. (hereinafter "World Net Dev.") was a
21 corporate entity purportedly engaged in the marketing and management of the Home Net general
22 partnership as the Initial Managing Partner. About 307 persons nationwide invested approximately
23 \$4,485,000 in the Home Net offering. This offering was also marketed by boiler rooms/ISOs located
24 in Nevada.

25 (f) Enternet Communications (hereinafter "Enternet") was an offering marketed
26 between approximately August 1996 and approximately March 1997 and purportedly engaged in
27 developing a business to provide Internet access to businesses and individuals in Chicago, Illinois,
28 Detroit, Michigan, and Indianapolis, Indiana. Enternet 2000, Inc. (hereinafter "Enternet 2000") was

1 a corporate entity purportedly engaged in the marketing and management of the Enternet general
2 partnership as the Initial Managing Partner. About 253 persons nationwide invested approximately
3 \$4,974,575 in the Enternet offering. This offering was also marketed by boiler rooms/ISOs located
4 in Nevada.

5 (g) ConnectKom Group (hereinafter "ConnectKom") was an offering marketed
6 between approximately March 1997 and approximately May 1997 and purportedly engaged in
7 developing a business to provide Internet access to businesses and individuals in Seattle, Washington.
8 ConnectKom Services, Inc. (hereinafter "ConnectKom Services") was a corporate entity purportedly
9 engaged in the marketing and management of the ConnectKom general partnership as the Initial
10 Managing Partner. About 86 persons nationwide invested approximately \$1,500,000 in the
11 ConnectKom offering. This offering was also marketed by boiler rooms/ISOs located in Nevada.

12 (h) Intellicom Group (hereinafter "Intellicom") was an offering marketed between
13 approximately May 1997 and approximately June 1997 and purportedly engaged in developing a
14 business to provide Internet access to businesses and individuals in New York, New York. Intellicom
15 Services, Inc. (hereinafter "Intellicom Services") was a corporate entity purportedly engaged in the
16 marketing and management of the Intellicom general partnership as the Initial Managing Partner.
17 About 70 persons nationwide invested approximately \$1,005,000 in the Intellicom offering. This
18 offering was also marketed by boiler rooms/ISOs located in Nevada.

19 (2) Offerings Telemarketed Primarily in Florida.

20 (a) Link 900 (hereinafter "Link 900") was an offering marketed between
21 approximately June 1995 and approximately October 1995 and purportedly engaged in developing a
22 business to offer 900-number, pay-per-call services to the public. Merging Capital, Inc. (hereinafter
23 "Merging Capital"), was a corporate entity purportedly engaged in the marketing and management of
24 the Link 900 general partnership as the Initial Managing Partner. About 360 persons nationwide
25 invested approximately \$4,903,087 in the Link 900 offering.

26 (b) Teleserve Partners (hereinafter "Teleserve") was an offering marketed between
27 approximately October 1995 and approximately December 1995 and purportedly engaged in
28 developing a business to operate a 900-number, pay-per-call service bureau, in addition to servicing

1 the Link 900 enterprise. Protek Holdings, Inc. (hereinafter "Protek Holdings") was a corporate entity
2 purportedly engaged in the marketing and management of the Teleserve general partnership as the
3 Initial Managing Partner. About 171 persons nationwide invested approximately \$2,563,734 in the
4 Teleserve offering.

5 (c) Plaza Partners (hereinafter "Plaza Partners") was an offering marketed between
6 approximately January 1996 and approximately June 1996 and purportedly engaged in developing a
7 business to operate an Internet shopping mall called Central Plaza Mall. Net One Consulting, Inc.
8 (hereinafter "Net One") was a corporate entity purportedly engaged in the marketing and management
9 of the Plaza Partners general partnership as the Initial Managing Partner. About 230 persons
10 nationwide invested approximately \$6,411,894 in the Plaza Partners offering. This offering was also
11 marketed by boiler rooms/ISOs located in Nevada.

12 (d) I-Net Providers (hereinafter "I-Net Providers") was an offering marketed
13 between approximately June 1996 and approximately October 1996 and purportedly engaged in
14 developing a business to provide Internet access to businesses and individuals in Atlanta, Georgia,
15 Houston, Texas and Philadelphia, Pennsylvania. I-Net Holdings, Inc. (hereinafter "I-Net Holdings")
16 was a corporate entity purportedly engaged in the marketing and management of the I-Net Providers
17 general partnership as the Initial Managing Partner. About 172 persons nationwide invested
18 approximately \$4,321,575 in the I-Net Providers offering. This offering was also marketed by boiler
19 rooms/ISOs located in Nevada.

20 b. Corporate Headquarters, Boiler Rooms/ISOs and Administrative Offices. At all times
21 material to this Indictment, the Enterprise's corporate headquarters, boiler rooms/ISOs, and
22 administrative offices were as set forth below.

23 (1) Corporate Headquarters.

24 (a) The control of the Enterprise resided in several promoters, who operated and
25 controlled the Enterprise from a headquarters located in Woodland Hills, California. The promoters
26 operated the Enterprise headquarters under the name of Frontline Consulting, Inc. (hereinafter
27 "Frontline Consulting") and later World Net Consulting Group, Inc. (hereinafter "World Net
28 Consulting"). For some purposes, such as the lease on the headquarters office space, World Net

1 Consulting did business as (hereinafter "dba") Midland & Associates. Under these corporate entities,
2 the promoters designed and developed the investment offerings and located and recruited boiler
3 rooms/ISOs and telemarketers to sell them.

4 (b) The promoters controlled each of the offerings by creating sales brochures and
5 general partnership agreements, selected "front men" to serve as Initial Managing Partners, and wrote
6 and disseminated pitch sheets and rebuttals and other promotional and marketing materials used by
7 the boiler rooms/ISOs to induce consumers to invest. To assist them in preparing various legal
8 documents required for the development and marketing of the investment offerings, the promoters
9 engaged the legal services of two California attorneys, identified below.

10 (c) To prevent the investors and regulatory authorities from learning their role in
11 the organization, the attorneys prepared consulting agreements which did not reflect the promoters'
12 control of the design, development and marketing of the investment offerings and their relationship
13 with the boiler rooms/ISOs. For the same purpose, these lawyers assisted the promoters in creating
14 the Initial Managing Partner corporations for each investment offering. To all outward appearances,
15 these Initial Managing Partner corporations and their presidents were in charge of the offerings. In
16 truth, these companies and their officers were under the control of the promoters and the telemarketers
17 were aware of this arrangement. The attorneys also assisted the operators of the boiler rooms/ISOs
18 in creating corporate and other business entities which did not disclose their control of and
19 involvement in the fundraising process.

20 (d) As described below, the promoters were paid their respective shares of the sales
21 proceeds (commissions paid out of investor funds) through Frontline Consulting and World Net
22 Consulting and other sources, including nominees. The attorneys also assisted the promoters and the
23 operators of the boiler rooms/ISOs in creating the corporate and other business entities used for this
24 purpose and the attorneys received, held, transferred and disbursed sales proceeds on their behalf.

25 (2) Boiler Rooms/ISOs. The interface between the Enterprise and its victims were the
26 numerous boiler rooms/ISOs where telemarketers "cold-called" consumers to pitch their investment
27 offerings. The boiler rooms/ISOs were compensated on a commission basis. Out of each investment
28 dollar received, the boiler rooms/ISOs received 55%-59%, the promoters took approximately 25%,

1 and the remainder, typically 15%, sometimes less, was deposited into an account to be paid to the
2 investors at the first partnership meeting. To induce sales, the boiler rooms/ISOs used standardized
3 pitch sheets and rebuttals, developed and given to them by the promoters from the corporate
4 headquarters. The pitch sheets contained scripted reload presentations to persuade consumers to invest
5 in each successive offering. The Enterprise operated or controlled boiler rooms/ISOs in several states,
6 but primarily in California, Nevada and Florida. The following boiler rooms/ISOs, among others,
7 telemarketed the investment offerings described above to the public and to persons residing in the
8 Southern District of California and elsewhere.

9 (a) Members of the Enterprise controlled and operated the following four boiler
10 rooms/ISOs, among others, in the Los Angeles, California area:

11 (1) Brookside Management, Inc. (hereinafter "Brookside") was located in
12 Woodland Hills, California and telemarketed the Touch Tone I, Touch Tone II, Bureau Net, Future
13 Net, Home Net, Enternet, ConnectKom and Intellicom offerings. Brookside later changed its name
14 to Granite Consulting, Inc. (hereinafter "Granite").

15 (2) Lion's Share Ventures, Inc. (hereinafter "Lion's Share") was located in Los
16 Angeles, California and telemarketed the Touch Tone I, Touch Tone II, Bureau Net, Future Net, Home
17 Net, Enternet, ConnectKom and Intellicom offerings. Lion's Share later changed its name to Selective
18 Ventures, Inc. (hereinafter "Selective"), Networld Consulting, Inc. (hereinafter "Networld") and
19 Perspective Consulting, Inc. (hereinafter "Perspective"), respectively.

20 (3) Madison Consulting Group, Inc. (hereinafter "Madison") was located in
21 Canoga Park, California and telemarketed the Touch Tone I, Touch Tone II, Bureau Net, Future Net
22 and Home Net offerings. Madison later changed its name to Tower Consulting Group, Inc.
23 (hereinafter "Tower") and Venture One, Inc. (hereinafter "Venture One"), respectively.

24 (4) M-III Associates, USA, Inc. (hereinafter "M-III Associates") was located
25 in Woodland Hills, California and telemarketed the Enternet and ConnectKom offerings.

26 (b) In San Diego, California, members of the Enterprise controlled and operated
27 Livestock Financial Services, Inc. (hereinafter "Livestock"), which telemarketed the Touch Tone I,
28 Touch Tone II, Bureau Net, Future Net, Home Net, Enternet, ConnectKom and Intellicom offerings.

1 Livestock later changed its name to MediaTech, Inc. (hereinafter "MediaTech") and American Long
2 Distance Corp. (hereinafter "ALD"), respectively. The operators of the San Diego office also had a
3 sales branch in Irvine, California.

4 (c) Members of the Enterprise controlled other boiler rooms/ISOs which operated
5 in Florida under the corporate entity Capital Link Holding, Inc. (hereinafter "Capital Link"), which
6 telemarketed the Link 900 and Teleserve offerings. Capital Link's headquarters was located in Tampa
7 and it operated boiler rooms/ISOs in Tampa (co-located with the headquarters), Maitland (Orlando),
8 Clearwater, Boca Raton and Fort Myers. The Fort Myers sales branch was later converted to an office
9 which performed only administrative functions. Capital Link later changed its name to Twenty First
10 Century Connection, Inc. (hereinafter "TWCCI") which telemarketed the Plaza Partners and I-Net
11 Providers offerings.

12 (d) Members of the Enterprise also controlled and operated the following boiler
13 rooms/ISOs in Nevada:

14 (1) Money Makers, Inc. (hereinafter "Money Makers") was located in
15 Henderson, Nevada and telemarketed the Plaza Partners, Home Net, Enternet, ConnectKom and
16 Intellicom offerings.

17 (2) New Age Consultants, Inc. (hereinafter "New Age") was located in Las
18 Vegas, Nevada and telemarketed the Enternet, ConnectKom and Intellicom offerings.

19 (3) In early 1996, TWCCI opened a branch sales office in Las Vegas, Nevada
20 under the corporate entity Twenty First Connection, Inc. (hereinafter "TWCI"), which later changed
21 its name to Venture One Holdings, Inc. (hereinafter "VOH"), and which telemarketed the Plaza
22 Partners and I-Net Providers offerings.

23 (3) The Administrative Offices. The Enterprise created several corporate entities to
24 coordinate the sales transactions and supply the essential administrative, clerical and logistical support
25 for the organization.

26 (a) In California, the Enterprise operated Prostaff Administrators, Inc. (hereinafter
27 "Prostaff") which operated from various locations in the Los Angeles area to support the promoters,
28 Initial Managing Partners and boiler rooms/ISOs located in California and Nevada which were not part

1 of the Florida sales organization. The Administrative Office shipped promotional materials (usually
2 a glossy, color brochure, legal memorandum, partnership agreement and related information) for the
3 Touch Tone I, Touch Tone II, Bureau Net, Future Net, Home Net, Enternet, ConnectKorn and
4 Intellicom offerings to prospective investors at the direction of the boiler rooms/ISOs, collected
5 mailings from investors from numerous "mail drops" the Enterprise used, and collected and deposited
6 the money sent by the investors for each of those offerings. Prostaff later changed its name to Support
7 Staff Administrators, Inc. (hereinafter Support Staff") and All Administrative Services, Inc.
8 (hereinafter "AAS"), respectively.

9 (b) In Florida, the Enterprise operated Apex Marketing, Inc. (hereinafter Apex
10 Marketing"), which performed the same functions as Prostaff, Support Staff and AAS, except only
11 for the boiler rooms/ISOs operated by Capital Link and TWCCI. Apex Marketing later changed its
12 name to Select Services, Inc. (hereinafter "Select Services") and Marketing Concepts Group, Inc.
13 (hereinafter "MCG").

14 c. Enterprise Members - Defendants. At all times material to this Indictment, the
15 defendants and others set forth below, among others, were members of the Enterprise.

16 (1) Defendant MARC DAVID LEVINE (hereinafter "LEVINE") was a promoter,
17 the President of Frontline Consulting, the Secretary of World Net Consulting, and one of the heads
18 of the Enterprise. LEVINE was also a partner with another Enterprise member in a dba called "I on
19 the Marc." LEVINE was involved in all aspects of the design, development and marketing of the 12
20 investment offerings and focused on recruiting new boiler rooms/ISOs and maintaining regular contact
21 with the sales offices concerning their operation. LEVINE was a member of the Enterprise from
22 approximately September 1994 through approximately September 1998.

23 (2) Defendant JONATHAN EDWARD SHOUCAIR (hereinafter "SHOUCAIR")
24 was a promoter in the Enterprise. SHOUCAIR was also a closer salesperson and operator of Madison
25 and was President of Granada, the Initial Managing Partner of the Touch Tone II general partnership.
26 SHOUCAIR was also one of the operators of Tower. SHOUCAIR was involved in all aspects of the
27 design, development and marketing of the 12 investment offerings and focused on producing pitch
28 sheets, sales scripts, rebuttals and related promotional materials for inclusion in mailings to investors

1 and for use by the boiler rooms/ISOs. SHOUCAIR was a member of the Enterprise from
2 approximately September 1994 through approximately September 1998.

3 (3) Defendant JAMES MICHAEL LEONARD (hereinafter "LEONARD") is an
4 attorney licensed to practice law in California. LEONARD provided legal and business advice and
5 assistance to the Enterprise and its individual members, including, among other things, creating Initial
6 Managing Partner corporations; preparing consulting and other agreements relating to the promoters'
7 control of the design, development and marketing process; changing regularly the corporate names
8 of the Enterprise's corporate headquarters, boiler rooms/ISOs and administrative office, described
9 above; and attending the initial organizational meetings of the general partnerships with the Initial
10 Managing Partners to respond to investor questions about the use of the investment proceeds.
11 LEONARD was a member of the Enterprise from approximately September 1994 through
12 approximately September 1998.

13 (4) Defendant ROBERT HARRY SHIELDS (hereinafter "SHIELDS") was an
14 owner, officer and director of Capital Link and TWCCI and controlled TWCI and VOH. While
15 SHIELDS was an owner, officer and director of Capital Link and TWCCI and while he controlled
16 TWCI and VOH, those boiler rooms/ISOs telemarketed the Link 900, Teleserve, Plaza Partners and
17 I-Net Providers offerings. SHIELDS was a member of the Enterprise from approximately June 1995
18 to approximately December 1996.

19 (5) Defendant ROBERT TERRANCE HART (hereinafter "HART") was an owner,
20 officer and director of Capital Link and TWCCI and controlled TWCI and VOH. While HART was
21 an owner, officer and director of Capital Link and TWCCI and while he controlled TWCI and VOH,
22 those boiler rooms/ISOs telemarketed the Link 900, Teleserve, Plaza Partners and I-Net Providers
23 offerings. HART was a member of the Enterprise from approximately June 1995 to approximately
24 December 1996.

25 (6) Defendant MARK DARREN McCLAFFERTY (hereinafter
26 "McCLAFFERTY") was a closer salesperson and recruiter for the Enterprise and was also President
27 of Net One, the Initial Managing Partner of the Plaza Partners general partnership. McCLAFFERTY
28 recruited new boiler rooms/ISOs for the Enterprise, including Money Makers operated by defendant

1 MICHAEL OWEN GRAYSON. McCLAFFERTY also recruited prospective members of the
2 Enterprise to become presidents of Initial Managing Partner companies for the ConnectKom and
3 Intellicom offerings. McCLAFFERTY was a member of the Enterprise from approximately January
4 1996 through approximately June 1997.

5 (7) Defendant EUGENE DONALD EVANGELIST, JR. (hereinafter
6 "EVANGELIST") was a closer salesperson and an operator of Livestock, MediaTech and ALD. As
7 a closer salesperson, EVANGELIST occasionally used the phone name "Joe Marone."
8 EVANGELIST was a member of the Enterprise from approximately September 1994 to approximately
9 June 1997 and he and the boiler room/ISO he operated telemarketed the Touch Tone I, Touch Tone
10 II, Bureau Net, Future Net, Home Net, Enternet, ConnectKom and Intellicom offerings.

11 (8) Defendant KENT BOLLENBACH (hereinafter "BOLLENBACH") was a closer
12 salesperson and an operator of Livestock, MediaTech and ALD. BOLLENBACH was a member of
13 the Enterprise from approximately September 1994 to approximately June 1997 and he and the boiler
14 room/ISO he operated telemarketed the Touch Tone I, Touch Tone II, Bureau Net, Future Net, Home
15 Net, Enternet, ConnectKom and Intellicom offerings.

16 (9) Defendant BRENT DOUGLAS MORRIS (hereinafter "MORRIS") was a closer
17 salesperson and an operator of Lion's Share, Selective, Networld and Perspective. MORRIS was a
18 member of the Enterprise from approximately September 1994 to approximately June 1997 and he
19 and the boiler room/ISO he operated telemarketed the Touch Tone I, Touch Tone II, Bureau Net,
20 Future Net, Home Net, Enternet, ConnectKom and Intellicom offerings.

21 (10) Defendant MICHAEL OWEN GRAYSON (hereinafter "GRAYSON") was a
22 closer salesperson and operator of Money Makers. GRAYSON was a member of the Enterprise from
23 approximately June 1996 through approximately June 1997 and as a salesperson and boiler room/ISO
24 operator telemarketed the Home Net, Plaza Partners, Enternet, ConnectKom and Intellicom offerings.
25 GRAYSON was solicited by defendants LEVINE and McCLAFFERTY to have the boiler room/ISO
26 he operated market investment offerings designed and developed by the Enterprise.

27 (11) Defendant JOSEPH ANTHONY MARFOGLIA (hereinafter "MARFOGLIA")
28 was a closer salesperson at Money Makers and the operator of New Age. MARFOGLIA was a

1 member of the Enterprise from approximately June 1996 through approximately June 1997, and he
2 and the boiler rooms/ISOs at which he was employed and which he operated telemarketed the Home
3 Net, Enternet, ConnectKom and Intellicom offerings.

4 (12) Defendant SYLVAN MORGAN METOYER, III (hereinafter "METOYER")
5 was a closer salesperson at Granite and operator of M-III Associates. As a closer salesperson,
6 METOYER used the phone names "Sy Morgan" and "Forest Morgan Green" (hereinafter "FMG").
7 METOYER was a member of the Enterprise from approximately October 1996 through approximately
8 June 1997 and the boiler room/ISO he operated telemarketed the Enternet, ConnectKom and
9 Intellicom offerings.

10 (13) Defendant RODNEY SCOTT SHEHYN (hereinafter "SHEHYN") was a closer
11 salesperson and manager for Capital Link and TWCCI and a vice-president and manager of TWCI and
12 VOH. SHEHYN was a member of the Enterprise from approximately June 1995 through
13 approximately December 1996 and as a salesperson and boiler room/ISO manager telemarketed the
14 Link 900, Teleserve, Plaza Partners and I-Net Providers offerings.

15 (14) Defendant DAVID ZEIDEL DIAMAND (hereinafter "DIAMAND") was a
16 closer salesperson for Brookside and Granite. As a closer salesperson, DIAMAND occasionally used
17 the phone name "David Rose." DIAMAND was a member of the Enterprise from approximately
18 December 1994 through approximately June 1997 and as a salesperson telemarketed the Touch Tone
19 I, Touch Tone II Bureau Net, Future Net, Home Net, Enternet, ConnectKom and Intellicom offerings.

20 (15) Defendant JAMES THOMAS RISSMILLER (hereinafter "RISSMILLER") was
21 a closer salesperson for Lion's Share, Selective, Networld and Perspective. RISSMILLER was a
22 member of the Enterprise from approximately August 1995 through approximately June 1997 and as
23 a salesperson telemarketed the Bureau Net, Future Net, Home Net, Enternet, ConnectKom and
24 Intellicom offerings.

25 (16) Defendant ANTHONY MATTHEW CASTRIOTTA (hereinafter
26 "CASTRIOTTA") was a closer salesperson for MediaTech and ALD. He was also manager of the
27 branch office in Irvine, California. CASTRIOTTA was a member of the Enterprise from
28 //

1 approximately March 1996 to approximately June 1997 and as a salesperson and boiler room/ISO
2 branch manager telemarketed the Home Net, Enternet, ConnectKom and Intellicom offerings.

3 (17) Defendant MARK ALLEN JACONSKI (hereinafter "JACONSKI") was a
4 closer salesperson for Lion's Share, Selective, Networld and Perspective. JACONSKI was a member
5 of the Enterprise from approximately February 1995 through approximately June 1997 and as a
6 salesperson telemarketed the Touch Tone II, Bureau Net, Future Net, Home Net, Enternet,
7 ConnectKom and Intellicom offerings.

8 (18) Defendant STEPHEN JAMES ROBINSON (hereinafter "ROBINSON") was
9 a closer salesperson for Brookside and Granite. As a closer salesperson, ROBINSON occasionally
10 used the phone name "Steve Bell." ROBINSON was a member of the Enterprise from approximately
11 May 1995 through approximately June 1997 and as a salesperson telemarketed the Touch Tone II,
12 Bureau Net, Future Net, Home Net, Enternet, ConnectKom and Intellicom offerings.

13 (19) Defendant DANIEL SANDERS (hereinafter "SANDERS") was a closer
14 salesperson for Livestock, MediaTech and ALD. SANDERS was a member of the Enterprise from
15 approximately March 1995 through approximately June 1997 and as a salesperson telemarketed the
16 Touch Tone II, Bureau Net, Future Net, Home Net, Enternet, ConnectKom and Intellicom offerings.

17 (20) Defendant RICHARD YORK (hereinafter "YORK") was a closer salesperson
18 for Livestock, MediaTech and ALD. YORK was a member of the Enterprise during two periods: from
19 approximately December 1994 through approximately May 1995 and from approximately April 1996
20 through approximately June 1997. As a salesperson, YORK telemarketed the Touch Tone I, Touch
21 Tone II, Home Net, Enternet, ConnectKom and Intellicom offerings.

22 (21) Ira Itskowitz (hereinafter "Itskowitz"), charged elsewhere, was a promoter, the
23 Chief Executive Officer of Frontline Consulting, President of World Net Consulting, the long-standing
24 partner of defendant LEVINE, and one of the heads of the Enterprise. Itskowitz was also a partner
25 with LEVINE in I on the Marc.

26 (22) Daniel William Rearick (hereinafter "Rearick"), charged elsewhere, was a
27 promoter in the Enterprise.

28 //

1 (23) Michael Emerson Lopuszynski (hereinafter "Lopuszynski"), charged elsewhere,
2 was an owner, president, and director of BMC Enterprises (the Initial Managing Partner of the Touch
3 Tone I general partnership) and a promoter in the Enterprise.

4 (24) Christopher Scott Courtney (hereinafter "Courtney"), charged elsewhere, was
5 an owner, vice-president, and director of BMC Enterprises (the Initial Managing Partner of the Touch
6 Tone I general partnership) and a promoter in the Enterprise.

7 (25) Michael Anthony Green (hereinafter "Green"), charged elsewhere, was a
8 promoter in the Enterprise who served as the liaison between Frontline Consulting and World Net
9 Consulting and the boiler rooms/ISOs controlled by Capital Link and TWCCI.

10 (26) Robert Harry Reisner (hereinafter "Reisner"), charged elsewhere, was the
11 bookkeeper/controller for the Enterprise.

12 (27) Lindsay Wellman (hereinafter "Wellman"), charged elsewhere, was an attorney
13 admitted to practice law in California who served as one of several attorneys who provided legal
14 services to the Enterprise.

15 (28) Lawrence Francis Long, Sr. (hereinafter "Long"), charged elsewhere, was an
16 owner, officer and director of Capital Link and TWCCI and controlled TWCI and VOH.

17 (29) Gary Mariarossi (hereinafter "Mariarossi"), charged elsewhere, was a closer
18 salesperson and general sales manager for Capital Link and TWCCI, president of TWCI and VOH and
19 later president of TWCCI.

20 (30) Timothy David Grayson (hereinafter "T. Grayson"), charged elsewhere, was
21 a closer salesperson and the operator of Brookside and Granite.

22 (31) Timothy Caswell Traub (hereinafter "Traub"), charged elsewhere, was President
23 of Merging Capital, the Initial Managing Partner of the Link 900 general partnership. Traub was
24 recruited for that position with the Enterprise by defendant LEVINE.

25 (32) Michael Wilhelm Engelhardt (hereinafter "Engelhardt"), charged elsewhere,
26 was a closer salesperson at BMC Enterprises, Madison and Tower. He was later an operator of
27 Madison and the operator of Tower and Venture One. Engelhardt was also President of Telelink, the
28 Initial Managing Partner of the Bureau Net general partnership.

1 (33) James D. Coffey (hereinafter "Coffey"), charged elsewhere, was President of
2 Protek Holdings, the Initial Managing Partner of the Teleserve general partnership. Coffey was
3 recruited for that position with the Enterprise by defendant LEVINE.

4 (34) Joseph John Widmer (hereinafter "Widmer"), charged elsewhere, was a closer
5 salesperson employed at BMC Enterprises and Madison and a closer salesperson and sales manager
6 at Tower and Venture One. Widmer was also President of Future Tech, the Initial Managing Partner
7 of the Future Net general partnership.

8 (35) Dennis S. Goddard (hereinafter "Goddard"), charged elsewhere, was a closer
9 salesperson for Lion's Share, Selective, Networld and Perspective.

10 (36) James Charles Quinn Slaton (hereinafter "Slaton"), charged elsewhere, was
11 President of World Net Dev., the Initial Managing Partner of the Home Net general partnership.

12 (37) Michael Joseph Coyne (hereinafter "Coyne"), charged elsewhere, was President
13 of I-Net Holdings, the Initial Managing Partner of the I-Net Providers general partnership.

14 (38) Mark Victor Nachamkin (hereinafter "Nachamkin"), charged elsewhere, also
15 known as "Mark Nash," was President of Enternet 2000, the Initial Managing Partner of the Enternet
16 Communications general partnership. Nachamkin was recruited for that position with the Enterprise
17 by defendant SHOUCAIR.

18 (39) Paul Evan Perelman (hereinafter "Perelman"), charged elsewhere, was President
19 of ConnectKom Services, the Initial Managing Partner of the ConnectKom general partnership.
20 Perelman was recruited for that position with the Enterprise by defendant McCLAFFERTY.

21 (40) Mark Ericson (hereinafter "Ericson") was President of Intellicom Services, the
22 Initial Managing Partner of the Intellicom general partnership. Ericson was recruited for that position
23 with the Enterprise by defendant McCLAFFERTY.

24 d. Previous Regulatory Action.

25 (1) Before and during the period the Enterprise operated, state and federal regulatory
26 or other governmental authorities, including but not limited to the California Department of
27 Corporations (hereinafter "DOC"), the Securities and Exchange Commission (hereinafter "SEC") and
28 //

1 the Federal Trade Commission (hereinafter "FTC"), took adverse regulatory action against Enterprise
2 members individually or against the investment offerings they had telemarketed.

3 (2) In January 1996, DOC conducted searches of Enterprise boiler rooms/ISOs and
4 served Desist and Refrain Orders for the sale of unregistered securities against defendants
5 SHOUCAIR and MORRIS and Lopuszynski, Courtney, Engelhardt, Widmer, T. Grayson and the
6 following general partnership offerings, Initial Managing Partner companies and boiler rooms/ISOs:
7 Touch Tone I, BMC Enterprises, Touch Tone II, Granada, Bureau Net, Telelink, Madison, Tower,
8 Future Net, Future Tech, Brookside and Lion's Share. During March through November 1996, the
9 SEC deposed members of the Enterprise and others as part of an investigation into the operations of
10 BMC Enterprises and the Touch Tone I offering.

11 Count 1

12 [Title 18, U.S.C., Sec. 371]
13 [Conspiracy to Commit Wire Fraud, Mail Fraud, Securities Fraud,
14 and Conspiracy to Defraud Agencies of the United States]
[All Defendants]

15 1. Paragraphs 1 through 3 of the Introductory Allegations are realleged and reasserted as if set
16 forth in full herein.

17 2. Beginning on or about July 1, 1994 and continuing to and including a date unknown to the
18 grand jury, but at least until September 1, 1998, within the Southern District of California and
19 elsewhere, defendants MARC DAVID LEVINE, JONATHAN EDWARD SHOUCAIR, JAMES
20 MICHAEL LEONARD, ROBERT HARRY SHIELDS, ROBERT TERRANCE HART, MARK
21 DARREN McCLAFFERTY, EUGENE DONALD EVANGELIST, JR., KENT BOLLENBACH,
22 BRENT DOUGLAS MORRIS, MICHAEL OWEN GRAYSON, JOSEPH ANTHONY
23 MARFOGLIA, SYLVAN MORGAN METOYER, III, RODNEY SCOTT SHEHYN, DAVID
24 ZEIDEL DIAMAND, JAMES THOMAS RISSMILLER, ANTHONY MATTHEW CASTRIOTTA,
25 MARK ALLEN JACONSKI, STEPHEN JAMES ROBINSON, DANIEL SANDERS, RICHARD
26 YORK, and the persons listed as "charged elsewhere" in paragraph 3 of the Introductory Allegations,
27 knowingly combined, conspired and agreed with each other and with others known and unknown to
28 the grand jury:

1 a. to commit certain offenses against the United States, to wit:

2 (1) wire fraud, in violation of Title 18, United States Code, Section 1343, which offense
3 was committed in connection with the conduct of telemarketing, as set forth in Title 18, United States
4 Code, Section 2325;

5 (2) mail fraud, in violation of Title 18, United States Code, Section 1341, which offense
6 was committed in connection with the conduct of telemarketing, as set forth in Title 18, United States
7 Code, Section 2325;

8 (3) securities fraud, in violation of Title 15, United States Code, Section 78j(b) and 17
9 Code of Federal Regulations Section 240.10b-5;

10 b. to defraud by deceitful and dishonest means by impeding, impairing, obstructing, and
11 defeating the lawful government functions of the:

12 (1) Securities and Exchange Commission in the enforcement of the federal securities
13 laws, including the levying and seizure of ill-gotten gains ordered by the Courts to be disgorged;

14 (2) Federal Trade Commission in the enforcement of the federal consumer protection
15 laws, including the levying and seizure of ill-gotten gains ordered by the Courts to be disgorged; and

16 (3) Department of the Treasury in the tracking and reporting of the specific monies
17 received and concealed by the defendants.

18 3. It was part of the conspiracy that defendants and other coconspirators having devised and
19 intending to devise a scheme and artifice to defraud, and to obtain money by means of materially false
20 and fraudulent pretenses, representations and promises and by means of intentional concealment and
21 omissions of material facts induced sales of goods and services, as described in paragraphs 5 and 6
22 below, and to effect and execute the aforesaid scheme and artifice to defraud, defendants and other
23 conspirators knowingly made interstate telephone calls, in violation of Title 18, United States Code,
24 Section 1343, and used or caused to be used the U.S. Mails or private, commercial interstate carriers,
25 in violation of Title 18, United States Code, Section 1341.

26 4. It was further part of the conspiracy that defendants and other coconspirators, by use of
27 means and instrumentalities of interstate commerce and the mails, directly and indirectly, used and
28 employed manipulative and deceptive devices and contrivances in connection with the purchase and

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1 sale of securities, and employed and attempted to employ the aforesaid device, scheme and artifice to
2 defraud, made untrue statements of material facts and omitted to state material facts necessary in order
3 to make the statements made, in light of the circumstance under which they were made, not
4 misleading, and engaged in acts, practices and a course of business which operated as a fraud and
5 deceit upon victims, in violation of Title 15, United States Code, Section 78j(b).

6 The Scheme and Artifice to Defraud and
7 The Manner and Means Used to Execute It

8 5. It was part of the scheme and artifice to defraud and among the manner and means used to
9 execute it that:

10 a. Defendants LEVINE and SHOUCAIR and Itskowitz, Rearick, Lopuszynski, Courtney
11 and Green as promoters, aided by defendant LEONARD and others, made all decisions concerning
12 the Enterprise's operation, including but not limited to the design and development of the 12
13 investment offerings (Touch Tone I, Touch Tone II, Link 900, Bureau Net, Teleserve, Future Net,
14 Plaza Partners, Home Net, I-Net Providers, Enternet, ConnectKom and Intellicom) and related
15 promotional and marketing materials, recruiting and hiring of boiler rooms/ISOs, recruiting and hiring
16 of administrative personnel and other persons to serve as presidents of Initial Managing Partner
17 companies, development of pitch sheets, rebuttals and other sales presentations and related materials,
18 purchase of sales leads, recruiting and hiring of vendors and other consultants, customer relations, and
19 all other matters requiring management decision-making.

20 b. Defendants LEVINE and SHOUCAIR and Itskowitz, Rearick, Lopuszynski, Courtney
21 and Green, controlled, supervised and motivated boiler room/ISO owners in a manner which produced
22 the highest degree of sales proficiency and maximized sales.

23 c. Defendants LEVINE and SHOUCAIR and Itskowitz, Rearick, Lopuszynski, Courtney
24 and Green as promoters, aided by defendant LEONARD and others, created glossy brochures, legal
25 memoranda, pitch sheets/sales scripts, brochure inserts, newsletters, and other materials which falsely
26 described investment opportunities in purported general partnerships and directed and knowingly
27 allowed defendants SHIELDS, HART, McCLAFFERTY, EVANGELIST, BOLLENBACH,
28 MORRIS, GRAYSON, MARFOGLIA, METOYER, SHEHYN, DIAMAND, RISSMILLER,

1 CASTRIOTTA, JACONSKI, ROBINSON, SANDERS, YORK, T. Grayson, Engelhardt, Widmer and
2 Goddard as boiler room/ISO operators, managers and salespersons, to use these false and fraudulent
3 materials in selling the units of the general partnerships.

4 d. Defendants LEVINE and SHOUCAIR and Itskowitz, Rearick, Lopuszynski, Courtney
5 and Green as promoters, aided by defendant LEONARD and others, changed the name, address and
6 phone number of the corporation selling a partnership investment each time a new partnership was
7 offered to avoid regulatory authorities and investor contact.

8 e. Defendants LEVINE and SHOUCAIR and Itskowitz, Rearick, Lopuszynski, Courtney
9 and Green as promoters, engaged the legal services of defendant LEONARD and Wellman, each of
10 whom were California attorneys, to aid them in:

11 (1) preparing various legal documents required for the development and marketing of
12 the fraudulent investment offerings generally, and in particular, as general partnerships;

13 (2) creating separate corporations (the Initial Managing Partners) to act as the "front"
14 for each investment offering;

15 (3) preparing deceptive agreements which disguised their control of the design,
16 development and marketing of the investment offerings and made them appear to be only
17 "consultants" to the boiler rooms/ISOs;

18 (4) changing regularly the locations and corporate names of the Enterprise's corporate
19 headquarters, boiler rooms/ISOs and administrative offices, described above, to prevent investors and
20 government regulators from identifying the members of the Enterprise;

21 (5) responding to complaints from investors and complaints and adverse regulatory
22 action by governmental authorities.

23 f. Defendant LEVINE and Itskowitz, Rearick, Lopuszynski, Courtney and Green as
24 promoters, recruited and hired defendants SHOUCAIR and McCLAFFERTY and Traub, Engelhardt,
25 Coffey, Widmer, Slaton, Coyne, Nachamkin, Perelman and Ericson to be presidents of the Initial
26 Managing Partner companies for the investment offerings, as set forth below:

27 //

28 //

	<u>I.M.P. Company</u>	<u>President</u>	<u>Investment Offering</u>
1			
2	(1) Granada	SHOUCAIR	Touch Tone II
3	(2) Merging Capital	Traub	Link 900
4	(3) Telelink	Engelhardt	Bureau Net
5	(4) Protek Holdings	Coffey	Teleserve
6	(5) Future Tech	Widmer	Future Net
7	(6) Net One	McCLAFFERTY	Plaza Partners
8	(7) World Net Development	Slaton	Home Net
9	(8) I-Net Holdings	Coyne	I-Net Providers
10	(9) Enternet 2000	Nachamkin	Enternet
11	(10) ConnectKom Services	Perelman	ConnectKom
12	(11) Intellicom Services	Ericson	Intellicom

13 g. Defendant LEVINE and Itskowitz, Rearick, Lopuszynski, Courtney and Green as
14 promoters, directed the Initial Managing Partners, defendants SHOUCAIR and McCLAFFERTY and
15 Traub, Engelhardt, Coffey, Widmer, Slaton, Coyne, Nachamkin, Perelman and Ericson, to perform
16 the following acts, among others, during the period their respective offerings were marketed:

17 (1) opening bank accounts in the names of the Initial Managing Partner companies;
18 (2) allowing rubber stamps or facsimiles to be made of their signatures;
19 (3) opening one or more accounts at commercial mail receiving services ("mail drops"),
20 telephone answering services and "rent-a-suites" the addresses of which were falsely described by
21 Enterprise salespersons to investors as the addresses of offices of the corporation selling the
22 investment offering.

23 (4) preparing personal biographies which contained false or misleading information
24 about their qualifications and experience in operating "high-tech" businesses and relating to the
25 technology involved in the investment offerings being marketed;

26 (5) visiting the boiler rooms/ISOs to discuss the investment offerings and approaches
27 to selling interests in them to prospective investors; and

28 //

1 (6) speaking with prospective investors who were unwilling to invest unless they were
2 able to speak personally with the president of the Initial Managing Partner company.

3 h. Defendants SHIELDS, HART, McCLAFFERTY, EVANGELIST, BOLLENBACH,
4 MORRIS, GRAYSON, MARFOGLIA, METOYER, SHEHYN, DIAMAND, RISSMILLER,
5 CASTRIOTTA, JACONSKI, ROBINSON, SANDERS, YORK, Lopuszynski, Courtney, T. Grayson,
6 Engelhardt, Widmer and Goddard as boiler room/ISO owners, managers and salespersons;

7 (1) obtained from their coconspirators "leads" containing the names, addresses and
8 telephone numbers of persons across the United States, who were often elderly, and who had
9 previously invested in "high-tech," telecommunications-related investment offerings;

10 (2) contacted such persons by means of intrastate and interstate telephone calls and told
11 them that the defendants were selling various "high-tech," telecommunications-related investment
12 offerings; and

13 (3) used false and misleading statements and promises to induce and attempt to induce
14 victims over the telephone to send money to the defendants by overnight delivery by the U.S. Mails
15 or by private, commercial interstate carriers.

16 i. Defendants LEVINE and SHOUCAIR and Itskowitz, Rearick, Lopuszynski, Courtney
17 and Green as promoters, aided by defendant LEONARD and others, and defendants SHIELDS,
18 HART, McCLAFFERTY, EVANGELIST, BOLLENBACH, MORRIS, GRAYSON, MARFOGLIA,
19 METOYER, SHEHYN, DIAMAND, RISSMILLER, CASTRIOTTA, JACONSKI, ROBINSON,
20 SANDERS and YORK, Lopuszynski, Courtney, T. Grayson, Engelhardt, Widmer and Goddard and
21 others as boiler room/ISO owners, managers and salespersons, knowingly and intentionally:

22 (1) offered and sold unregistered securities in the form of general partnership units to
23 victims who invested in the range of between \$5,000 to in excess of \$200,000.

24 (2) offered and sold securities without being licensed as broker-dealers under the federal
25 securities laws.

26 (3) disseminated false and fraudulent information to investors.

27 //

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1 (4) provided to investors a glossy brochure and other promotional information which
2 contained false and misleading information about the location, address and telephone number of the
3 headquarters and offices of the corporation selling the investment offering.

4 (5) provided to investors a legal memorandum/partnership agreement for each
5 partnership offering which:

6 (a) falsely represented that investor funds would be controlled by the Initial
7 Managing Partner whose company headquarters was located where business would be conducted.

8 (b) failed to disclose that the defendants and others controlled the investor funds
9 and diverted those investor funds for the personal enrichment of the defendants and their agents.

10 (c) failed to disclose that approximately eighty-five percent (85%) of investor funds
11 would be used primarily for consulting, management and sales fees and not for development of a
12 viable business.

13 (d) failed to disclose that the persons who had designed and developed the offering
14 had been subject to adverse federal and state regulatory action for the sale of unregistered securities
15 and fraud.

16 j. Defendants LEVINE and SHOUCAIR and Itskowitz, Rearick, Lopuszynski, Courtney
17 and Green as promoters, aided by defendant LEONARD and others, and defendants SHIELDS,
18 HART, McCLAFFERTY, EVANGELIST, BOLLENBACH, MORRIS, GRAYSON, MARFOGLIA,
19 METOYER, SHEHYN, DIAMAND, RISSMILLER, CASTRIOTTA, JACONSKI, ROBINSON,
20 SANDERS and YORK, Lopuszynski, Courtney, T. Grayson, Engelhardt, Widmer and Goddard and
21 others as boiler room/ISO owners, managers and salespersons, used the United States Mails, private,
22 commercial interstate carriers, and direct telephonic sales presentations to knowingly and intentionally
23 make the following material misrepresentations, among others, to investors:

24 (1) Each Offering Was a "Turn-key" Business. Each of the ventures was falsely
25 represented to be a viable business substantially ready for profitable operations that would be turned
26 over to investors at the first partnership meeting by the Initial Managing Partner, who was developing
27 it for their benefit.

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1 (2) Each Offering Was Likely to Generate Substantial Profits. Investors were falsely
2 told they were "getting in on the ground floor" of a venture guaranteed to reap immediate (within 30-
3 60 days after the offering was funded and the first partnership meeting was held) and substantial (up
4 to a 300 percent return) profits. During the latter six offerings, investors were falsely told that they
5 would also receive a huge bonus from stock sales when their company became publicly traded.

6 (3) Each Offering Was a Low Risk and Conservative Investment. Investors were falsely
7 told that each of the offerings was a low risk, conservative investment, and older consumers were even
8 encouraged to invest their retirement savings.

9 (4) Previous Ventures Had Yielded Positive Returns to Investors. Enterprise
10 telemarketers falsely touted the success of previous offerings despite knowing that none of the
11 offerings had ever produced any assets, income, profit, return of capital or otherwise viable business
12 to investors.

13 k. Defendants LEVINE and SHOUCAIR and Itskowitz, Rearick, Lopuszynski, Courtney
14 and Green as promoters, and defendants SHIELDS, HART, McCLAFFERTY, EVANGELIST,
15 BOLLENBACH, MORRIS, GRAYSON, MARFOGLIA, METOYER, SHEHYN, DIAMAND,
16 RISSMILLER, CASTRIOTTA, JACONSKI, ROBINSON, SANDERS and YORK, Lopuszynski,
17 Courtney, T. Grayson, Engelhardt, Widmer and Goddard and others as boiler room/ISO owners,
18 managers and salespersons:

19 (1) diverted investor funds placed with them to purchase units in the partnerships into
20 bank accounts which defendants and others converted to their uses, which included a commission
21 override on all partnership units sold by the Enterprise, and to other uses concealed from and not
22 disclosed to investors.

23 (2) conducted their activities in a manner calculated to conceal and cover up the
24 fraudulent nature of the investments and to otherwise mislead and deceive investors into placing funds
25 with defendants.

26 (3) required victims to send their money to the defendants by overnight delivery through
27 private, commercial interstate carriers or through the U.S. Mails.

28 (4) failed to file a "Telephonic Seller's Registration" in California.

6. It was further part of the scheme and artifice to defraud and among the manner and means used to execute it that each of the fraudulent investment offerings were sold in connection with the conduct of telemarketing, as defined by Title 18, United States Code, Section 2325, and through the execution of the scheme and artifice to defraud, 10 or more persons over the age of 55 were victimized.

7. Between on or about July 1, 1994 and on or about June 26, 1997, approximately 3011 victims nationwide invested approximately \$49,050,378 in the 12 fraudulent offerings telemarketed by the Enterprise, as set forth below:

<u>Investment Offering</u>	<u>Offering Period</u>	<u>Total Invested</u>	<u>No. of Victims</u>
Touch Tone I	07/94-01/95	\$ 3,906,640	287
Touch Tone II	01/95-06/95	\$ 5,010,000	384
Link 900	06/95-10/95	\$ 4,903,087	360
Bureau Net	06/95-10/95	\$ 4,980,000	331
Teleserve	10/95-12/95	\$ 2,563,734	171
Future Net	10/95-01/96	\$ 4,988,873	360
Plaza Partners	01/96-06/96	\$ 6,411,894	230
Home Net	01/06-08/96	\$ 4,485,000	307
I-Net Providers	06/96-10/96	\$ 4,321,575	172
Enternet	08/96-03/97	\$ 4,974,575	253
ConnectKom	03/97-05/97	\$ 1,500,000	86
Intellicom	05/97-06/97	<u>\$ 1,005,000</u>	<u>70</u>
Total		\$49,050,378	3011

The Conspiracy to Defraud Agencies of the United States and
The Manner and Means Used to Execute It

8. Defendants LEVINE, SHOUCAIR, LEONARD, SHIELDS, HART, McCLAFFERTY, EVANGELIST, BOLLENBACH, MORRIS, GRAYSON, MARFOGLIA, METOYER, SHEHYN, DIAMAND, RISSMILLER, CASTRIOTTA, JACONSKI, ROBINSON, SANDERS and YORK and others, engaged in various activities designed to prevent the DOC, the FTC and the SEC from identifying them and the roles in the design, development and marketing of the offerings, including

1 the use of nominee entities in which to receive funds for their benefit. Among the various nominee
2 entities used by Enterprise members were:

3 a. Defendant LEVINE and Itskowitz and Rearick opened financial accounts in the name
4 of Frontline Consulting and World Net Consulting. During the Internet offering, commissions
5 received by defendant LEVINE and Itskowitz were paid directly from the partnership account to the
6 client trust account of defendant LEONARD, which LEONARD would further disburse as requested
7 by LEVINE and Itskowitz.

8 b. Defendants LEVINE and SHOUCAIR and Itskowitz used foreign nominee entities in
9 the Turks and Caicos Islands, including entities known as "SkyTel," and "Stingray," and later
10 "Raheem."

11 c. Defendant SHOUCAIR used domestic and foreign nominee entities named Arctype
12 Limited (hereinafter "Arctype"), Leads R Us and Viotech. He also used another nominee account
13 named the Miller and Simon Client Trust in the Turks and Caicos Islands.

14 d. Lopuszynski and Courtney used a nominee entity in the name of Ultravision. Courtney
15 used nominee entities in the names of Telemax Consulting, Inc. (hereinafter Telemax") and Frontier
16 Marketing, Inc. (hereinafter "Frontier").

17 e. Defendants SHIELDS and HART used a nominee entity named Capco Unlimited.

18 f. Defendant EVANGELIST used nominee entities named Cable Financial Services, Inc.
19 (hereinafter "CFS"), and Microshop, Inc. (hereinafter "Microshop").

20 g. Defendant MORRIS used a foreign nominee entity in Hong Kong known as Top
21 Communications (hereinafter "Top Comm.").

22 h. Defendant METOYER used nominee entities named Dealmakers (hereinafter
23 "Dealmakers"), FMG and M-III Associates.

24 i. T. Grayson used a nominee entity named the King Family Trust.

25 j. Defendant SHEHYN used a nominee entity named Meridian International, Ltd.
26 (hereinafter "Meridian").

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1 k. Defendant DIAMAND used nominee entities in the names of Diamand Interactive
2 Services, Inc., (hereinafter "Diamand Interactive"), Velocity Pacific, Inc., (hereinafter "Velocity
3 Pacific") and Foundation Resources Corp. (hereinafter "Foundation").

4 l. Defendant RISSMILLER used a nominee entity in the name of Ticket Stubs.

5 m. Defendant JACONSKI used a nominee entity in the name of Carpe Diem.

6 n. Defendant CASTRIOTTA used a nominee entity named Big Shot Productions, Inc.
7 (hereinafter "Big Shot").

8 o. Defendant SANDERS used a nominee entity named Spartan Realty and Spartan
9 International.

10 p. Defendant YORK used a nominee entity named Azimut.

11 9. Defendants LEVINE, SHOUCAIR and LEONARD, and Itskowitz, Rearick, Lopuszynski,
12 Courtney, Reisner and Wellman and others, converted funds to currency in amounts of less than
13 \$10,000 in order to avoid Currency Transaction Reports from being completed by financial
14 institutions.

15 10. Defendants LEVINE and SHOUCAIR and Itskowitz, Reisner and others, destroyed the books
16 and records of the above-described scheme and artifice to defraud to keep the SEC and the FTC from
17 determining the specific monies each defendant received from the above-described scheme and artifice
18 to defraud.

19 11. It was further part of the conspiracy to defraud and among the manner and means used to
20 execute it that defendants LEVINE, SHOUCAIR, LEONARD, SHIELDS and HART and Itskowitz,
21 Rearick, Lopuszynski, Courtney and others, used Initial Managing Partners and others, including
22 Traub, Engelhardt, Coffey, Widmer, defendant McCLAFFERTY, Slaton, Coyne, Nachamkin aka
23 "Mark Nash," Perelman and Ericson as "front men" for the Link 900, Bureau Net, Teleserve, Future
24 Net, Plaza Partners, Home Net, I-Net Providers, Enternet, ConnectKom and Intellicom offerings and
25 boiler rooms/ISOs of the above-described scheme and artifice to defraud, by placing the respective
26 Initial Managing Partner's name on bank accounts and incorporation documents to keep the SEC and
27 the FTC from determining the true promoters of the offerings and the owners of the boiler rooms/ISOs
28 //

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1 in order to conceal specific monies each defendant received from the above-described scheme and
2 artifice to defraud.

3 12. Defendants LEVINE, SHOUCAIR, LEONARD, SHIELDS, HART, EVANGELIST,
4 BOLLENBACH, MORRIS, GRAYSON, MARFOGLIA, and METOYER and Itskowitz, Rearick,
5 Lopuszynski, Courtney, and T. Grayson and others, changed the names of the boiler rooms/ISOs of
6 the above-described scheme and artifice to defraud, after the receipt of cease and desist orders from
7 various state regulatory agencies, the DOC searches and desist and refrain orders, the SEC
8 investigation in Los Angeles, and the temporary restraining order and asset freeze issued in Florida
9 to prevent the SEC and the FTC from determining the true promoters of the offerings and the owners
10 of the boiler rooms/ISOs in order to conceal specific monies each defendant received from the above-
11 described scheme and artifice to defraud.

12 13. Defendants LEVINE, SHOUCAIR, SHIELDS, HART, EVANGELIST, BOLLENBACH and
13 MORRIS and Itskowitz, Rearick, Lopuszynski, Courtney, and T. Grayson and others, encouraged
14 salespersons at the boiler rooms/ISOs, including defendants DIAMAND, RISSMILLER,
15 CASTRIOTTA, JACONSKI, ROBINSON, SANDERS and YORK, to use nominee names (including
16 corporate and "dba" nominees), to maintain minimal bank account balances, to negotiate commission
17 checks for currency, and to accept commission payments in the form of currency to keep the SEC, the
18 FTC and the Department of the Treasury from determining the specific monies each salesperson
19 received from the above-described scheme and artifice to defraud.

20 Overt Acts

21 In furtherance of said conspiracy and to effect the objects thereof, in or about the months and on
22 or about the dates listed below, the following overt acts, among others, were committed within the
23 Southern District of California and elsewhere:

- 24 1. Between on or about 09/27/94 and in or about 06/96, as set forth in the table below, defendants
25 LEVINE and SHOUCAIR and others caused consulting agreements to be executed between
26 the following entities concerning the following offerings:

27 //
28 //

OA#	Date	Entity	Entity	Offering
1.1	09/27/94	I on The Marc	BMC Enterprises	Touch Tone I
1.2	10/01/94	Frontline Consulting	BMC Enterprises	Touch Tone I
1.3	01/03/95	Frontline Consulting	Granada	Touch Tone II
1.4	05/95	Frontline Consulting	Telelink	Bureau Net
1.5	05/23/95	Frontline Consulting	Merging Capital	Link 900
1.6	09/95	Frontline Consulting	Protek Holdings	Teleserve
1.7	09/20/95	Frontline Consulting	Future Tech	Future Net
1.8	12/95	Frontline Consulting	World Net Dev.	Home Net
1.9	01/95	World Net Consulting	Net One	Plaza Partners
1.10	01/16/96	World Net Consulting	World Net Dev.	Home Net
1.11	06/96	World Net Consulting	I-Net Holdings	I-Net Providers

2. Between on or about 05/25/95 and in or about 07/01/96, as set forth in the table below, defendants LEVINE, SHOUCAIR, SHIELDS and HART and others caused Independent Sales Representative Agreements to be executed between the following entities concerning the following offerings:

OA#	Date	Entity	Entity	Offering
2.1	05/25/95	Capital Link	Merging Capital	Link 900
2.2	07/01/96	VOH	I-Net Holdings	I-Net Providers

3. Between in or about 10/94 and in or about 03/97, as set forth in the table below, the following defendant(s) and others began designing and developing the following offerings:

OA#	Date	Defendant(s)	Offering
3.1	10/94	LEVINE	Touch Tone II
3.2	05/95	LEVINE, SHOUCAIR	Link 900
3.3	05/95	LEVINE, SHOUCAIR	Bureau Net
3.4	08/95	LEVINE, SHOUCAIR	Future Net
3.5	09/95	LEVINE, SHOUCAIR	Teleserve
3.6	11/95	LEVINE, SHOUCAIR	Home Net

1	OA#	Date	Defendant(s)	Offering
2	3.7	11/95	LEVINE, SHOUCAIR, McCLAFFERTY	Plaza Partners
3	3.8	06/96	LEVINE, SHOUCAIR	I-Net Providers
4	3.9	07/96	LEVINE, SHOUCAIR	Enternet
5	3.10	01/97	LEVINE, SHOUCAIR	ConnectKom
6	3.11	03/97	LEVINE, SHOUCAIR	Intellicom

4. Between on or about 01/12/95 and on or about 03/13/97, as set forth in the table below, the following defendant(s) and others caused the following entities to be incorporated in the following states:

10	OA#	Date	Defendant(s)	Corporation	State
11	4.1	01/12/95	LEVINE, SHOUCAIR	Granada	CA
12	4.2	05/95	LEVINE, SHOUCAIR	Telelink	CA
13	4.3	05/95	LEVINE, SHOUCAIR	Merging Capital	CA
14	4.4	06/28/95	SHOUCAIR	Tower	CA
15	4.5	07/18/95	HART	Apex Marketing	FL
16	4.6	08/10/95	LEVINE, SHOUCAIR	Future Tech	CA
17	4.7	08/14/95	LEVINE	World Net Consulting	NV
18	4.8	10/15/95	LEVINE, SHOUCAIR	World Net Dev.	CA
19	4.9	10/23/95	DIAMAND	Foundation	NV
20	4.10	10/25/95	SHIELDS, HART	Capco Unlimited	FL
21	4.11	11/28/95	SHIELDS, HART, SHEHYN	TWCCI	NV
22	4.12	12/06/95	EVANGELIST	Microshop	NV
23	4.13	01/09/96	LEVINE, SHOUCAIR	Prostaff	CA
24	4.14	01/29/96	LEVINE, SHOUCAIR	Enternet 2000	NV
25	4.15	01/25/96	MORRIS	Networld	CA
26	4.16	01/30/96	MORRIS	Selective	CA
27	4.17	02/01/96	SHIELDS, HART, SHEHYN	TWCI	NV
28	4.18	02/14/96	SHIELDS, HART	Select Services, MCG	FL
	4.19	02/16/96	Other - Courtney	Frontier	NV

OA#	Date	Defendant(s)	Corporation	State
4.20	02/20/96	LEVINE, SHOUCAIR	Support Staff	CA
4.21	05/31/96	SHIELDS, HART, SHEHYN	VOH	DE
4.22	07/96	GRAYSON	Money Makers	NV
4.23	08/21/96	MORRIS	Perspective	CA
4.24	09/19/96	GRAYSON, MARFOGLIA	New Age	NV
4.25	11/07/97	LEVINE, SHOUCAIR	AAS	CA
4.26	11/07/96	EVANGELIST, BOLLENBACH	ALD	NV
4.27	12/19/96	DIAMAND	Velocity Pacific	NV
4.28	03/13/97	LEVINE, SHOUCAIR, LEONARD	ConnectKom Services	CA

5. Between on or about 01/10/95 and on or about 05/01/97, as set forth in the table below, the following defendant(s) and others caused Wellman to create a Private Offering Memorandum and General Partnership Agreement for the following offerings:

OA#	Date	Defendant(s)	Offering
5.1	01/10/95	LEVINE	Touch Tone II
5.2	06/01/95	LEVINE, SHOUCAIR	Link 900
5.3	06/15/95	LEVINE, SHOUCAIR	Bureau Net
5.4	09/15/95	LEVINE, SHOUCAIR	Future Net
5.6	10/01/95	LEVINE, SHOUCAIR	Teleserve
5.7	01/01/96	LEVINE, SHOUCAIR	Home Net
5.8	01/15/96	LEVINE, SHOUCAIR, McCLAFFERTY	Plaza Partners
5.9	06/25/96	LEVINE, SHOUCAIR	I-Net Providers
5.10	08/01/96	LEVINE, SHOUCAIR	Enternet
5.11	02/01/97	LEVINE, SHOUCAIR	ConnectKom
5.12	05/01/97	LEVINE, SHOUCAIR	Intellicom

6. Between on or about 03/13/95 and on or about 04/29/96, as set forth in the table below, the following defendant(s) and others caused a general partnership meeting to be held in the Los Angeles, California area relating to the following offerings:

OA#	Date	Defendant(s)	Offering
6.1	03/13/95	LEVINE, LEONARD	Touch Tone I
6.2	10/16/95	LEVINE, SHOUCAIR, LEONARD	Touch Tone II
6.3	02/19/96	LEVINE, SHOUCAIR, LEONARD	Link 900
6.4	12/11/95	LEVINE, SHOUCAIR, LEONARD	Bureau Net
6.5	01/22/96	LEVINE, SHOUCAIR, LEONARD	Future Net
6.6	02/19/96	LEVINE, SHOUCAIR, LEONARD	Link 900
6.7	04/29/96	LEVINE, SHOUCAIR, LEONARD	Teleserve

7. Between on or about 12/20/95 and on or about 04/08/97, as set forth in the table below, defendants LEVINE and SHOUCAIR and others caused to be opened the following private mail boxes at commercial mail receiving agencies at the following addresses for mail to be received under the following names:

OA#	Date	Box	Address	Recipient
7.1	12/20/95	#294	19528 Ventura Blvd., Tarzana, CA 91356	Prostaff
7.2	01/19/96	#537	20929-47 Ventura Blvd., Woodland Hills, CA 91364	World Net Dev.
7.3	01/19/96	#537	20929-47 Ventura Blvd., Woodland Hills, CA 91364	Home Net
7.4	02/01/96	#212	22647 Ventura Blvd., Woodland Hills, CA 91364	Granite
7.5	02/21/96	#537	5859 Kanan Road, Agoura Hills, CA 91301	World Net Dev.
7.6	02/21/96	#537	5859 Kanan Road, Agoura Hills, CA 91301	Home Net
7.7	03/04/96	#212	22647 Ventura Blvd., Woodland Hills, CA 91364	World Net
7.8	08/08/96	#304	18034 Ventura Blvd., Encino, CA 91316	Enternet 2000
7.9	08/12/96	#137	5737 Kanan Road, Agoura Hills, CA 91301	Enternet
7.10	08/21/96	#308	7910 Ivanhoe Avenue, La Jolla, CA 92037	ALD
7.11	11/18/96	#332	19528 Ventura Blvd., Tarzana, CA 91356	Enternet 2000
7.12	01/30/97	#514	18375 Ventura Blvd., Tarzana, CA 91356	ConnectKom
7.13	04/08/97	#154	18034 Ventura Blvd., Encino, CA 91316	Intellicom

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8. Between on or about 11/24/95 and on or about 01/21/97, as set forth in the table below, defendant DIAMAND caused to be opened the following private mail boxes at commercial mail receiving agencies at the following addresses for mail to be received under the following names:

OA#	Date	Box	Address	Recipient
8.1	11/24/95	#424	22647 Ventura Blvd., Woodland Hills, CA 91364	Foundation
8.2	01/21/97	#424	22647 Ventura Blvd., Woodland Hills, CA 91364	Velocity Pacific

9. Between on or about 07/24/96 and on or about 04/09/97, as set forth in the table below, defendants LEVINE and SHOUCAIR and others caused to be opened the following executive suites (physical address, telephone answering and mail receipt/forwarding services) at commercial locations at the following addresses for services for the following entities:

OA#	Date	Address	Receiving Entity
9.1	07/24/96	625 N. Michigan Ave., Suite 600, Chicago, IL 60611	Enternet 2000
9.2	02/03/97	901 Market Street, Wilmington, DE 19801	ConnectKom Services
9.3	04/09/97	42 Read's Way, New Castle, DE 19720	Intellicom Services
9.4	04/09/97	100 Park Avenue, 16 th Floor, New York, NY 10017	Intellicom Group

10. Between on or about 01/10/96 and on or about 02/02/96, as set forth in the table below, defendants LEVINE and SHOUCAIR and others caused the following defendant(s) and others to change the name of the following boiler rooms/ISOs they operated:

OA#	Date	Defendant(s)	ISO Previous Name	ISO New Name
10.1	01/10/96	Engelhardt	Tower	Venture One
10.2	01/25/96	MORRIS	Lion's Share	Networld
10.3	01/29/96	EVANGELIST BOLLENBACH	Livestock	MediaTech
10.4	02/02/96	T. Grayson	Brookside	Granite

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11. Between on or about 05/95 and on or about 06/96, as set forth in the table below, the following defendant(s) and others participated in meetings, among others, at the following locations:

OA#	Date	Defendant(s)	Location
11.1	05/95	LEVINE, SHOUCAIR, SHIELDS, HART	Woodland Hills, CA
11.2	06/95	LEVINE, SHOUCAIR, SHIELDS, HART	Maitland, FL
11.3	01/96	SHIELDS, HART, McCLAFFERTY	Maitland, FL
11.4	02/96	LEVINE, SHOUCAIR, SHIELDS, HART	Las Vegas, NV
11.5	06/96	LEVINE, SHOUCAIR, SHIELDS, HART	Las Vegas, NV

12. Between on or about 12/05/94 and on or about 06/24/97, as set forth in the table below, the following defendants and others while employed as a salesperson or operator of the following boiler rooms/ISOs and while under the direction and control of the following persons and others had an interstate or intrastate telephone conversation the following persons residing in the following cities and states, and cooperating witnesses (hereinafter "CW") residing in the Southern District of California (hereinafter "SDCA") or Eastern District of Michigan (hereinafter "EDMI"), about the following offering(s):

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OA#	Date	Defendant-Others	ISO	Direction/Control	Person Called	City/State	Offering
12.1	12/05/94	Widmer	Madison	SHOUCAIR	Yolanda Rodriguez	Laverne, CA	Touch Tone I
12.2	12/12/94	DIAMAND	Brookside	Others	Mary Anne Barothy	Indianapolis, IN	Touch Tone I
12.3	12/14/94	Salesperson	Madison	SHOUCAIR	Sylvia Warren	San Diego, CA	Touch Tone I
12.4	12/28/94	Salesperson	Brookside	Others	CW-1-KS	SDCA	Touch Tone I
12.5	02/01/95	YORK	Livestock	EVANGELIST BOLLENBACH	CW-1-KS	SDCA	Touch Tone II
12.6	02/15/95	Salesperson	Lion's Share	MORRIS	Betty Hoover	San Diego, CA	Touch Tone II
12.7	03/27/95	JACONSKI	Lion's Share	MORRIS	James Alburger	San Diego, CA	Touch Tone II
12.8	04/95	Salesperson	Madison	SHOUCAIR	Thomas Norton	Newport Beach, CA	Touch Tone II
12.9	04/28/95	Salesperson	Livestock	EVANGELIST BOLLENBACH	Chester Mason	Coronado, CA	Touch Tone II
12.10	05/95	Salesperson	Livestock	EVANGELIST BOLLENBACH	Norbert Hertel	Bermuda Dunes, CA	Touch Tone II
12.11	05/01/95	Salesperson	Madison	SHOUCAIR	Ilse Tesari	Los Angeles, CA	Touch Tone II
12.12	05/25/95	Salesperson	Brookside	Others	CW-5-FW	EDMI	Touch Tone II
12.13	05/25/95	Salesperson	Lion's Share	MORRIS	CW-1-KS	SDCA	Touch Tone II
12.14	07/25/95	Salesperson	Capital Link	SHIELDS, HART	CW-1-KS	SDCA	Link 900
12.15	08/03/95	Salesperson	Tower	SHOUCAIR	Ilse Tesari	Los Angeles, CA	Bureau Net
12.16	08/10/95	DIAMAND	Brookside	Others	Lloyd Lundstrom	Orinda, CA	Bureau Net

OA#	Date	Defendant-Others	ISO	Direction/Control	Person Called	City/State	Offering
12.17	11/95	DIAMAND	Brookside	Others	Willy Haselhof	Dunlap, IL	Future Net
12.18	12/04/95	SANDERS	Livestock	EVANGELIST BOLLENBACH	CW-1-KS	SDCA	Future Net
12.19	12/26/95	Salesperson	Tower	Others	Edward Murphy	Palos Verdes, CA	Future Net
12.20	03/20/96	SHEHYN	VOH	SHIELDS, HART McCLAFFERTY	O.C. Riser, Jr.	Antioch, CA	Plaza Partners
12.21	03/29/96	DIAMAND ROBINSON	Granite	Others	Dennis Rankin	Oxford, NE	Home Net
12.22	04/96	RISSMILLER	Networld	MORRIS	Adelina Garcia	San Bernardino, CA	Home Net
12.23	04/04/96	McCLAFFERTY			Anthony DeMarco	Manchester, CT	Plaza Partners
12.24	04/19/96	SHEHYN	VOH	SHIELDS, HART	John Hudiburg	Albuquerque, NM	Plaza Partners
12.25	04/23/96	McCLAFFERTY			John Hudiburg	Albuquerque, NM	Plaza Partners
12.26	04/25/96	ROBINSON	Granite	Others	CW-1-KS	SDCA	Home Net
12.27	05/01/96	Salesperson	TWCCI	SHIELDS, HART McCLAFFERTY	William Hudson	Santee, CA	Plaza Partners
12.28	05/02/96	Salesperson	TWCCI	SHIELDS, HART McCLAFFERTY	Vince LaForce, Jr.	Randy, VA	Plaza Partners
12.29	05/03/96	YORK	MediaTech	EVANGELIST BOLLENBACH	William Crousore	Walton, IN	Home Net
12.30	05/10/96	DIAMAND	Granite	Others	CW-1-KS	SDCA	Home Net
12.31	05/20/96	McCLAFFERTY			James Adam	Medina, OH	Plaza Partners

OA#	Date	Defendant-Others	ISO	Direction/Control	Person Called	City/State	Offering
12.32	05/20/96	McCLAFFERTY			Cindy Mussara	Medina, OH	Plaza Partners
12.33	05/23/96	Salesperson	TWCCI	SHIELDS, HART McCLAFFERTY	Patricia Jackson	Oceanside, CA	Plaza Partners
12.34	05/23/96	Salesperson	TWCCI	SHIELDS, HART McCLAFFERTY	Wayne Wells	Yorktown, VA	Plaza Partners
12.35	05/29/96	Salesperson	VOH	SHIELDS, HART McCLAFFERTY SHEHYN	CW-1-KS	SDCA	Plaza Partners
12.36	05/30/96	YORK	MediaTech	EVANGELIST BOLLENBACH	Yvonne Planque	Loomis, WA	Home Net
12.37	06/96	RUSSELLER	Networld	MORRIS	June Goehring	Lodi, CA	Home Net
12.38	06/02/96	Salesperson	TWCCI	SHIELDS, HART McCLAFFERTY	Todd Jensen	St. Paul, MN	Plaza Partners
12.39	06/04/96	Salesperson	VOH	SHIELDS, HART McCLAFFERTY SHEHYN	CW-1-KS	SDCA	Plaza Partners
12.40	06/05/96	YORK	MediaTech	EVANGELIST BOLLENBACH	Bob Knott	Dallas, TX	Home Net
12.41	06/12/96	Salesperson	TWCCI	SHIELDS, HART McCLAFFERTY	Ming-Ching Shyu	San Diego, CA	Plaza Partners
12.42	06/13/96	GRAYSON	Money Makers	McCLAFFERTY	Joseph Ambrosic	Dayton, OH	Plaza Partners

OA#	Date	Defendant-Others	ISO	Direction/Control	Person Called	City/State	Offering
12.43	06/14/96	Salesperson	VOH	SHIELDS, HART McCLAFFERTY SHEHYN	CW-1-KS	SDCA	Plaza Partners
12.44	06/14/96	SHEHYN	VOH	SHIELDS, HART McCLAFFERTY	CW-1-KS	SDCA	Plaza Partners
12.45	06/28/96	Salesperson	TWCCI	SHIELDS, HART McCLAFFERTY	Ralph Hunt, III	San Diego, CA	Plaza Partners
12.46	06/23/96	SHEHYN	VOH	SHIELDS, HART McCLAFFERTY	Dwight Storey	Fresno, CA	Plaza Partners
12.47	06/24/96	Salesperson	TWCCI	SHIELDS, HART McCLAFFERTY	Greg Herbst	Portland, OR	I-Net Providers
12.48	07/96	Salesperson	TWCCI	SHIELDS, HART McCLAFFERTY	Jeff Saltzman	Portland, OR	Plaza Partners
12.49	07/96	Salesperson	TWCCI	SHIELDS, HART	Keith Franz	Highlands Ranch, CO	I-Net Providers
12.50	07/03/96	DIAMAND	Granite	Others	Joseph Mesich	Gallup, NM	Home Net
12.51	07/09/96	Salesperson	Networld	MORRIS	Viola Askew	Bentonville, AR	Home Net
12.52	07/09/96	MARFOGLIA	Money Makers	GRAYSON	Walter Stefanski	Riverside, IL	Home Net
12.53	07/22/96	Salesperson	TWCCI	SHIELDS, HART	Roberto Cueva	La Mesa, CA	I-Net Providers
12.54	07/30/96	SHEHYN	VOH	SHIELDS, HART	Herbert Cholger	Tawas City, MI	I-Net Providers
12.55	08/02/96	SHEHYN	VOH	SHIELDS, HART	CW-1-KS	SDCA	I-Net Providers
12.56	08/08/96	Salesperson	TWCCI	SHIELDS, HART	Harold Beck	Escondido, CA	I-Net Providers
12.57	08/20/96	Salesperson	TWCCI	SHIELDS, HART	Bernard Elbinger	Oceanside, CA	I-Net Providers

OA#	Date	Defendant-Others	ISO	Direction/Control	Person Called	City/State	Offering
12.58	08/20/96	SHEHYN	VOH	SHIELDS, HART	CW-1-KS	SDCA	I-Net Providers
12.59	09/05/96	Salesperson	TWCCI	SHIELDS, HART	Donald Mills	Santa Barbara, CA	I-Net Providers
12.60	09/17/96	SANDERS	MediaTech	EVANGELIST BOLLENBACH	Gregory Sablic	Levittown, NY	Enternet
12.61	09/17/96	Salesperson	Networld	MORRIS	G. Michael Egart	Mt. Prospect, IL	Enternet
12.62	09/26/96	Salesperson	TWCCI	SHIELDS, HART	CW-1-KS	SDCA	I-Net Providers
12.63	10/10/96	JACONSKI	Networld	MORRIS	George Parker	Anderson, IN	Enternet
12.64	10/14/96	RISSMILLER	Networld	MORRIS	Louie Csonaki	Vancouver, WA	Enternet
12.65	10/17/96	Salesperson	MediaTech	EVANGELIST BOLLENBACH	Arnold Horton	Moab, UT	Enternet
12.66	10/23/96	MARFOGLIA	Money Makers	GRAYSON	Rose Packer	Jonesville, MI	Enternet
12.67	11/04/96	DIAMAND	Granite	Others	Richard Bower	Williamsport, PA	Enternet
12.68	11/14/96	Salesperson	ALD	EVANGELIST BOLLENBACH	Charles Benreuter	Jacksonville, FL	Enternet
12.69	12/04/96	RISSMILLER	Networld	MORRIS	Stanley Vale	Morton Grove, IL	Enternet
12.70	12/19/96	Salesperson	New Age	MARFOGLIA	Connie Bell	Pensacola, FL	Enternet
12.71	12/22/96	YORK	ALD	EVANGELIST BOLLENBACH	Doris Soupe	Pasadena, TX	Enternet
12.72	01/10/97	Salesperson	ALD	EVANGELIST BOLLENBACH	Kenneth Balbach	Evansville, IN	Enternet

OA#	Date	Defendant-Others	ISO	Direction/Control	Person Called	City/State	Offering
12.73	01/22/97	YORK	ALD	EVANGELIST BOLLENBACH	Doralene Niedfelt	Grand Island, NE	Enternet
12.74	02/10/97	YORK	ALD	EVANGELIST BOLLENBACH	Edith Marion	Atlanta, GA	Enternet
12.75	02/13/97	ROBINSON	Granite	Others	Steven Grissom	Guyton, GA	Enternet
12.76	02/16/97	YORK	ALD	EVANGELIST BOLLENBACH	Frank Fila	West Springfield, MA	Enternet
12.77	02/21/97	SANDERS	ALD	EVANGELIST BOLLENBACH	Janeale Walker	Lewisville, ID	Enternet
12.78	02/24/97	METOYER	M-III Associates	Others	CW-4-BE	SDCA	Enternet
12.79	03/04/97	DIAMAND	Granite	Others	CW-3-PC	SDCA	Enternet
12.80	03/03/97	DIAMAND	Granite	Others	Gerald Felker	Lackawanna, NY	Enternet
12.81	04/16/97	Salesperson	New Age	MARFOGLIA	Edna Silveira	San Jose, CA	ConnectKom
12.82	05/29/97	SANDERS	ALD	EVANGELIST BOLLENBACH	CW-2-SF	SDCA	Intellicom
12.83	06/97	MORRIS	Perspective		G. Michael Egart	Mt. Prospect, IL	Enternet
12.84	06/97	LEONARD			G. Michael Egart	Mt. Prospect, IL	Enternet
12.85	06/09/97	DIAMAND	Granite	Others	Wanda Martin	New Lebanon, OH	Intellicom
12.86	06/24/97	ROBINSON	Granite	Others	CW-1-KS	SDCA	Intellicom

13. Between on or about 01/10/96 and in or about 12/97, as set forth in the table below, the following defendants committed the following acts:

OA#	Date	Defendant(s) and Act(s)
13.1	01/10/96	Defendant METOYER caused a fictitious business name statement to be filed with the Los Angeles County Recorder's Office to do business as Forest Morgan Green.
13.2	01/26/96	Defendants SHIELDS and HART and Long, as the owners of TWCCI, at the suggestion of defendants LEVINE and SHOUCAIR and Itskowitz, Rearick, Lopuszynski and Courtney, created a separate Reload Department at TWCCI.
13.3	01/26/96	A salesperson at TWCCI, while under the direction and control of defendants SHIELDS and HART and Long, caused Quinn Perez of Salt Lake City, Utah to mail to Protek Holdings a personal check in the amount of \$20,000 for the purchase of four units of the Teleserve offering.
13.4	03/01/96	A salesperson at TWCCI, while under the direction and control of defendants SHIELDS and HART and Long, and defendant McCLAFFERTY as president of Net One, caused John E. Michael of Scottsdale, Arizona to mail to Central Plaza two personal checks in the total amount of \$100,000 for the purchase of 20 units of the Plaza Partners offering.
13.5	10/30/96	Reisner moved all of the books and records of the Enterprise from the Enterprise headquarters to another location known only to defendants LEVINE and SHOUCAIR and Itskowitz.
13.6	12/97	Defendants LEVINE and SHOUCAIR and Itskowitz and Reisner destroyed most of the books and records of the Enterprise.

14. Between on or about 01/30/95 and on or about 09/04/98, as set forth in the table below, the following defendants and others committed the following acts in furtherance of the Conspiracy to Defraud Agencies of the United States:

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OA#	Date	Defendant(s)/ Other	Transferring Entity	Receiving Entity Defendant(s)/Other	Instrument Negotiated
14.1	01/30/95	LEVINE Iskowitz	Granada CPB Acct #003106845	Frontline Consulting BOA Acct #1201817688	\$110,000 check
14.2	02/17/95	EVANGELIST BOLLENBACH	Livestock BOA Acct #669907263	Azimut YORK	\$3,344 check #1084
14.3	05/08/95	Rearick	Frontline Consulting BOA Acct #1201817688	Wellman Client Trust Acct	\$15,025 check #845
14.4	05/12/95	EVANGELIST BOLLENBACH	Livestock BOA Acct #669907263	CFS Merrill Lynch Acct #41807D51	\$45,000 wire transfer
14.5	08/23/95	LEVINE Iskowitz	Frontline Consulting BOA Acct #1201817688	Client Trust Acct #009444076 at CNB - LEONARD	\$24,000 check #1000
14.6	08/28/95	Lopuszynski	Telelink CPB Acct #003107310	Ultravision	\$12,000 check #1109
14.7	09/19/95	LEVINE	Deposit of Cashier's check #080498	LEVINE's parents' Acct #2250314 at Interchange Bank	\$100,000
14.8	09/25/95	T. Grayson	Brookside Lockheed FCU #6347591009	King Family Trust First Rep. Thrift Acct #2200004963	\$75,000 check #409308
14.9	12/07/95	SHOUCAIR	Future Tech	Arctype BOA Acct #1201618297	\$56,000 deposit
14.10	12/08/95	SHOUCAIR	Arctype BOA Acct #1201618297	Cash	\$9,500 check #2264
14.11	12/09/95	SHOUCAIR	Arctype BOA Acct #1201618297	Cash	\$9,500 check #2265

OA#	Date	Defendant(s)/ Other	Transferring Entity	Receiving Entity Defendant(s)/Other	Instrument Negotiated
14.12	12/21/95	EVANGELIST	CFS Merrill Lynch Acct #41807D51	Microshop Smith Barney Acct #4821413418.	\$93,430 check #348
14.13	01/19/96	DIAMAND T. Grayson	Brookside Lockheed FCU #6347591009	Diamand Interactive	\$19,000 check #20772
14.14	04/23/96	LEVINE, SHOUCAIR Itskowitz	World Net Dev. BOA Acct #1290020014	Client Trust Acct #009444076 at CNB - LEONARD	\$100,000 wire transfer
14.15	06/18/96	LEVINE Itskowitz	World Net Consulting BOA Acct #037302288	Client Trust Acct #009444076 at CNB - LEONARD	\$23,231 check #1097
14.16	07/08/96	LEONARD	Client Trust Acct #009444076 at CNB	Itskowitz	\$9,000 check #3139
14.17	07/08/96	LEONARD	Client Trust Acct #009444076 at CNB	Itskowitz	\$9,000 check #3140
14.18	07/25/96	LEONARD	Client Trust Acct #009444076 at CNB	Relative of Rearick	\$50,000 cashiers check #16714717
14.19	09/04/96	LEVINE Itskowitz	World Net Consulting BOA Acct #037302288	Client Trust Acct #009444076 at CNB - LEONARD	\$17,750 check #1155
14.20	10/09/96	LEVINE SHOUCAIR	Enternet 2000 Union Bank Acct #1290022580	Vioetech Barclays Bank Acct in Turks & Caicos Islands	\$18,000 wire transfer
14.21	10/30/96	LEVINE	World Net Consulting	Mfrs Bank Acct #10400112 \$29,600 transaction	\$19,700 deposit & \$9,900 cash

OA#	Date	Defendant(s)/ Other	Transferring Entity	Receiving Entity Defendant(s)/Other	Instrument Negotiated
14.22	10/31/96	LEVINE	Mfrs Bank Acct #10400112	Cash	\$9,900 check #636
14.23	11/19/96	LEVINE SHOUCAIR	Enternet 2000 Union Bank Acct #1290022580	Courtney - Frontier BOA Acct #430060327	\$30,000 wire transfer
14.24	12/13/96	LEVINE SHOUCAIR	Enternet 2000 Union Bank Acct #1290022580	M-III Associates METOYER	\$11,946 check #1093
14.25	01/22/97	LEVINE LEONARD	Client Trust Acct #009444076 at CNB	Barclays Bank, Grand Caymans	\$50,000 wire transfer
14.26	02/07/97	EVANGELIST BOLLENBACH	ALD Wells Fargo Bank Acct #0849523261	Big Shot CASTRICOTTA	\$7,000 check #290
14.27	02/26/97	LEVINE SHOUCAIR Itskowitz	Enternet 2000 Union Bank Acct #1290022580	Client Trust Acct #009444076 at CNB - LEONARD	\$49,500 wire transfer
14.28	02/27/97	T. Grayson	Granite BOA Acct #0429606562	Velocity Pacific DIAMAND	\$71,000 check #2997
14.29	02/28/97	LEVINE LEONARD	Client Trust Acct #009444076 at CNB	Barclays Bank, Grand Caymans	\$32,548 wire transfer
14.30	03/31/97	LEVINE SHOUCAIR Itskowitz	Enternet 2000 Union Bank Operating Acct #1290022580	SkyTel Barclays Bank Acct #1612473 in Turks & Caicos Islands	\$63,999 wire transfer
14.31	04/18/97	EVANGELIST BOLLENBACH	ALD Wells Fargo Bank Acct #0849523261	Spartan International SANDERS	\$4,500 check #470

OAI	Date	Defendant(s)/ Other	Transferring Entity	Receiving Entity Defendant(s)/Other	Instrument Negotiated
14.32	04/23/97	LEVINE SHOUCAIR Iskowitz	ConnectKorn Union Bank Acct #1290035216	Stingray Barclays Bank Acct in Turks & Caicos Islands	\$24,000 wire transfer
14.33	04/28/97	MORRIS	Networld BOA Acct #0057508189	Top Comm. Hong Kong Standard Charter Bank Acct	\$40,000 wire transfer
14.34	05/12/97	LEVINE SHOUCAIR	ConnectKorn Services	Cash	\$4,000 check #1025
14.35	05/13/97	LEVINE SHOUCAIR	ConnectKorn Services	Cash	\$9,800 check #1026
14.36	05/13/97	MORRIS	Perspective BOA Acct #0057202896	Ticket Stubs RISSMILLER	\$1,900 check #4007
14.37	06/06/97	MORRIS	Perspective BOA Acct #0057202896	Carpe Diem International, Inc. JACONSKI	\$3,612 check #3043
14.38	06/13/97	DIAMAND	Velocity Pacific	Foundation Resources	\$20,000 check #1134
14.39	12/08/97	LEVINE	Chase Manhattan Bank Acct #121000021	Royal Bank of Canada Dominion Securities Limited in Turks and Caicos Islands	\$496,116.28 wire transfer
14.40	09/01/98	LEVINE	RBC Dominion Securities Ltd., Turks & Caicos Islands	Washington Mutual Bank Acct #8720605415	\$32,000 wire transfer
14.41	09/04/98	LEVINE	McCollum & Newlands, Barclays Bank, Turks & Caicos Islands	Washington Mutual Bank Acct #8720605415	\$35,982 wire transfer

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1 All in violation of Title 18, United States Code, Section 371.

2 **Counts 2 through 37**

3 [Title 18, U.S.C., Sec. 1343 - Wire Fraud]
4 [Title 18, U.S.C., Sec. 2 - Aiding and Abetting]
5 [All Defendants]

6 1. On or about the dates set forth below, within the Southern District of California and elsewhere,
7 defendants MARC DAVID LEVINE, JONATHAN EDWARD SHOUCAIR, JAMES MICHAEL
8 LEONARD, ROBERT HARRY SHIELDS, ROBERT TERRANCE HART, MARK DARREN
9 McCLAFFERTY, EUGENE DONALD EVANGELIST, JR., KENT BOLLENBACH, BRENT
10 DOUGLAS MORRIS, MICHAEL OWEN GRAYSON, JOSEPH ANTHONY MARFOGLIA,
11 SYLVAN MORGAN METOYER, III, RODNEY SCOTT SHEHYN, DAVID ZEIDEL DIAMAND,
12 JAMES THOMAS RISSMILLER, ANTHONY MATTHEW CASTRIOTTA, MARK ALLEN
13 JACONSKI, STEPHEN JAMES ROBINSON, DANIEL SANDERS, RICHARD YORK, the persons
14 listed as "charged elsewhere" in paragraph 3 of the Introductory Allegations, and others known and
15 unknown to the grand jury knowingly and willfully devised and intended to devise a scheme and
16 artifice to defraud investors, as identified below, and to obtain money from said victims by means of
17 materially false and fraudulent pretenses, representations, and promises and by intentional concealment
18 and omission of material facts.

18 **The Scheme and Artifice to Defraud**

19 2. The Introductory Allegations and Paragraphs 5 through 7 of Count 1 are realleged and
20 reasserted as if set forth in full herein.

21 **Execution of the Scheme by Wire Communications**

22 3. On or about the dates alleged below, within the Southern District of California, and elsewhere,
23 defendants MARC DAVID LEVINE, JONATHAN EDWARD SHOUCAIR, JAMES MICHAEL
24 LEONARD, ROBERT HARRY SHIELDS, ROBERT TERRANCE HART, MARK DARREN
25 McCLAFFERTY, EUGENE DONALD EVANGELIST, JR., KENT BOLLENBACH, BRENT
26 DOUGLAS MORRIS, MICHAEL OWEN GRAYSON, JOSEPH ANTHONY MARFOGLIA,
27 SYLVAN MORGAN METOYER, III, RODNEY SCOTT SHEHYN, DAVID ZEIDEL DIAMAND,
28 JAMES THOMAS RISSMILLER, ANTHONY MATTHEW CASTRIOTTA, MARK ALLEN

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1 JACONSKI, STEPHEN JAMES ROBINSON, DANIEL SANDERS, RICHARD YORK, and the
2 persons listed as "charged elsewhere" in paragraph 3 of the Introductory Allegations, for the purpose
3 of executing the aforesaid scheme and artifice to defraud, and attempting to do so, knowingly
4 transmitted and caused to be transmitted by means of wire communication in interstate commerce
5 signals and sounds, that is, telephone calls, from various Enterprise sales offices in the Southern
6 District of California and elsewhere to, as set forth below, to (a) victims and (b) cooperating witnesses
7 who were posing as victims and who reside in the Southern District of California, as identified in
8 Counts 2 through 37 below:

9 a. Telephone Calls to Victims. On or about the dates set forth in the table below, the following
10 defendant and others, while employed at the following boiler room/ISO and under the direction and
11 control of the following defendant(s), had an interstate telephone conversation with the following
12 victim about the following offering:

Ct	Date	Defendant-Others Boiler Room/ISO	Direction/Control	Victim City/State	Offering
2	05/01/96	Salesperson TWCCI	SHIELDS, HART McCLAFFERTY	William Hudson Santee, CA	Plaza Partners
3	05/03/96	YORK MediaTech	EVANGELIST BOLLENBACH	William Crousore Walton, IN	Home Net
4	05/23/96	Salesperson TWCCI	SHIELDS, HART McCLAFFERTY	Patricia Jackson Oceanside, CA	Plaza Partners
5	05/30/96	YORK MediaTech	EVANGELIST BOLLENBACH	Yvonne Planque Loomis, WA	Home Net
6	06/05/96	SANDERS MediaTech	EVANGELIST BOLLENBACH	Bob Knott Dallas, TX	Home Net
7	06/12/96	Salesperson TWCCI	SHIELDS, HART McCLAFFERTY	Ming-Ching Shyu San Diego, CA	Plaza Partners
8	06/28/96	Salesperson TWCCI	SHIELDS, HART McCLAFFERTY	Ralph Hunt, III San Diego, CA	Plaza Partners
9	07/17/96	McCLAFFERTY		Ming-Ching Shyu San Diego, CA	Plaza Partners
10	07/19/96	Salesperson TWCCI	SHIELDS, HART McCLAFFERTY	Patricia Jackson Oceanside, CA	Plaza Partners
11	07/22/96	Salesperson TWCCI	SHIELDS, HART	Roberto Cueva La Mesa, CA	I-Net Providers

Ct	Date	Defendant-Others Boiler Room/ISO	Direction/Control	Victim City/State	Offering
12	08/08/96	Salesperson TWCCI	SHIELDS, HART	Harold Beck Escondido, CA	I-Net Providers
13	08/20/96	Salesperson TWCCI	SHIELDS, HART	Bernard Elbinger Oceanside, CA	I-Net Providers
14	09/17/96	SANDERS MediaTech	EVANGELIST BOLLENBACH	Gregory Sablic Levittown, NY	Enternet
15	10/01/96	Salesperson TWCCI	SHIELDS, HART	Roberto Cueva La Mesa, CA	I-Net Providers
16	10/17/96	Salesperson MediaTech	EVANGELIST BOLLENBACH	Arnold Horton Moab, UT	Enternet
17	11/14/96	Salesperson ALD	EVANGELIST BOLLENBACH	Charles Bernreuter Jacksonville, FL	Enternet
18	12/22/96	YORK ALD	EVANGELIST BOLLENBACH	Doris Soape Pasadena, TX	Enternet
19	01/10/97	Salesperson ALD	EVANGELIST BOLLENBACH	Kenneth Balbach Evansville, IN	Enternet
20	01/22/97	YORK ALD	EVANGELIST BOLLENBACH	Doralene Niedfelt Grand Island, NE	Enternet
21	02/10/97	YORK ALD	EVANGELIST BOLLENBACH	Edith Marion Atlanta, GA	Enternet
22	02/16/97	YORK ALD	EVANGELIST BOLLENBACH	Frank Fila West Springfield, MA	Enternet
23	02/21/97	SANDERS ALD	EVANGELIST BOLLENBACH	Janeale Walker Lewisville, ID	Enternet

b. Telephone Calls to Cooperating Witnesses. On or about the dates set forth in the table below, the following defendant and others, while employed at the following boiler room/ISO and under the direction and control of the following defendant(s), had an interstate telephone conversation with the following cooperating witness (hereinafter "CW") about the following offering:

Ct	Date	Defendant-Others Boiler Room/ISO	Direction/Control	CW	Offering
24	05/29/96	Salesperson VOH	SHIELDS, HART McCLAFFERTY SHEHYN	CW-1-KS	Plaza Partners

Ct	Date	Defendant-Others Boiler Room/ISO	Direction/Control	CW	Offering
25	06/04/96	Salesperson VOH	SHIELDS, HART McCLAFFERTY SHEHYN	CW-1-KS	Plaza Partners
26	06/05/96	Salesperson VOH	SHIELDS, HART McCLAFFERTY SHEHYN	CW-1-KS	Plaza Partners
27	06/11/96	Salesperson VOH	SHIELDS, HART McCLAFFERTY SHEHYN	CW-1-KS	Plaza Partners
28	06/13/96	Salesperson VOH	SHIELDS, HART McCLAFFERTY SHEHYN	CW-1-KS	Plaza Partners
29	06/14/96	Salesperson VOH	SHIELDS, HART McCLAFFERTY SHEHYN	CW-1-KS	Plaza Partners
30	06/14/96	SHEHYN VOH	SHIELDS, HART McCLAFFERTY	CW-1-KS	Plaza Partners
31	07/16/96	Salesperson VOH	SHIELDS, HART SHEHYN	CW-1-KS	I-Net Providers
32	07/17/96	Salesperson VOH	SHIELDS, HART SHEHYN	CW-1-KS	I-Net Providers
33	07/25/96	Salesperson VOH	SHIELDS, HART SHEHYN	CW-1-KS	I-Net Providers
34	08/02/96	SHEHYN VOH	SHIELDS, HART	CW-1-KS	I-Net Providers
35	08/20/96	SHEHYN VOH	SHIELDS, HART	CW-1-KS	I-Net Providers
36	09/26/96	Salesperson TWCCI	SHIELDS, HART	CW-1-KS	I-Net Providers
37	10/02/96	Salesperson TWCCI	SHIELDS, HART	CW-1-KS	I-Net Providers

All in violation of Title 18, United States Code, Sections 1343 and 2, and which offenses were committed in connection with the conduct of telemarketing, as set forth in Title 18, United States Code, Section 2325.

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Counts 38 through 66

[Title 18, U.S.C., Sec. 1341 - Mail Fraud]
[Title 18, U.S.C., Sec. 2 - Aiding and Abetting]
[All Defendants]

1. On or about the dates set forth below, within the Southern District of California and elsewhere, defendants MARC DAVID LEVINE, JONATHAN EDWARD SHOUCAIR, JAMES MICHAEL LEONARD, ROBERT HARRY SHIELDS, ROBERT TERRANCE HART, MARK DARREN McCLAFFERTY, EUGENE DONALD EVANGELIST, JR., KENT BOLLENBACH, BRENT DOUGLAS MORRIS, MICHAEL OWEN GRAYSON, JOSEPH ANTHONY MARFOGLIA, SYLVAN MORGAN METOYER, III, RODNEY SCOTT SHEHYN, DAVID ZEIDEL DIAMAND, JAMES THOMAS RISSMILLER, ANTHONY MATTHEW CASTRIOTTA, MARK ALLEN JACONSKI, STEPHEN JAMES ROBINSON, DANIEL SANDERS, RICHARD YORK, and the persons listed as "charged elsewhere" in paragraph 3 of the Introductory Allegations, and others known and unknown to the grand jury knowingly and willfully devised and intended to devise a scheme and artifice to defraud investors, as identified below, and to obtain money from said victims by means of materially false and fraudulent pretenses, representations, and promises and by intentional concealment and omission of material facts.

The Scheme and Artifice to Defraud

2. The Introductory Allegations and Paragraphs 5 through 7 of Count 1 are realleged and reasserted as if set forth in full herein.

Execution of the Scheme by Mail or Private, Commercial Interstate Carrier

3. On or about the dates alleged below, within the Southern District of California, and elsewhere, defendants MARC DAVID LEVINE, JONATHAN EDWARD SHOUCAIR, JAMES MICHAEL LEONARD, ROBERT HARRY SHIELDS, ROBERT TERRANCE HART, MARK DARREN McCLAFFERTY, EUGENE DONALD EVANGELIST, JR., KENT BOLLENBACH, BRENT DOUGLAS MORRIS, MICHAEL OWEN GRAYSON, JOSEPH ANTHONY MARFOGLIA, SYLVAN MORGAN METOYER, III, RODNEY SCOTT SHEHYN, DAVID ZEIDEL DIAMAND, JAMES THOMAS RISSMILLER, ANTHONY MATTHEW CASTRIOTTA, MARK ALLEN JACONSKI, STEPHEN JAMES ROBINSON, DANIEL SANDERS, RICHARD YORK, and the

persons listed as "charged elsewhere" in paragraph 3 of the Introductory Allegations, for the purpose of executing the aforesaid scheme and artifice to defraud, and attempting to do so, knowingly and willfully caused to be delivered by mail by the United States Postal Service (hereinafter "USPS") and by private, commercial interstate carrier such as Federal Express (hereinafter "FedX"), for delivery according to the directions thereon, envelopes containing mail matter (hereinafter "mail") such as checks (hereinafter "CK") and correspondence/documents (hereinafter "CD") addressed to and from, as set forth below, to (a) victims and (b) cooperating witnesses (hereinafter "CW") who were posing as victims and who reside in the Southern District of California, as specifically described in Counts 38 through 66 below:

a. Mailings To or From Victims.

(1) On or about the dates set forth in the table below, a salesperson at TWCCI, while under the direction and control of defendants SHIELDS, HART and McCLAFFERTY, caused the following victims to mail the following mail matter to 6239 Edgewater Drive, Bldg. E, Suite 6, Orlando, Florida 32810, relating to the Plaza Partners offering:

Ct	Date	Victim, City/State	Mail	Via
38	05/08/96	William Hudson, Santee, CA	CD	FedX
39	06/13/96	Ming-Ching Shyu, San Diego, CA	CK	FedX
40	07/19/96	Ming-Ching Shyu, San Diego, CA	CK	FedX
41	07/19/96	Patricia Jackson, Oceanside, CA	CD	FedX

(2) On or about the dates set forth in the table below, a salesperson at TWCCI, while under the direction and control of defendants SHIELDS and HART, caused the following victims to mail the following mail matter to the following addresses: (a) 6239 Edgewater Drive, Bldg. E, Suite 6, Orlando, Florida 32810, or (b) 501 North Orlando, Ave., #313-160, Winter Park, Florida 32789, relating to the I-Net Providers offering:

Ct	Date	Victim, City/State	Mail	Sent To	Via
42	08/09/96	Harold Beck, Escondido, CA	CD, CK	(a)	FedX
43	08/29/96	Bernard Elbinger, Oceanside, CA	CD, CK	(a)	FedX
44	10/02/96	Roberto Cueva, La Mesa, CA	CD, CK	(b)	USPS

Ct	Date	Victim, City/State	Mail	Sent To	Via
45	10/16/96	Lea Leccese, San Diego, CA	CD, CK	(b)	FedX

(3) On or about the dates set forth in the table below, a salesperson at ALD, while under the direction and control of defendants EVANGELIST and BOLLENBACH, caused the following victims to mail via FedX the following mail matter to the following addresses: (a) 7825 Fay Avenue, La Jolla, California 92037, (b) 19528 Ventura Blvd., Suite 332, Tarzana, California 91356, (c) 18375 Ventura Blvd., Suite 514, Tarzana, California 91356, or (d) 18834 Ventura Blvd., Suite 154 Encino, California 91316, relating to the following offerings:

Ct	Date	Victim, City/State	Mail	Sent To	Offering
46	11/18/96	Arnold Horton, Moab, UT	CD	(a)	Enternet
47	02/13/97	Margaret Brown-Ball, Encinitas, CA	CD, CK	(b)	Enternet
48	02/14/97	Linda & Daniel Brown, Del Mar, CA	CK	(b)	Enternet
49	04/03/97	Frank Gonsalves, Encinitas, CA	CK	(c)	ConnectKom
50	06/11/97	Lawrence Zonker, Rancho Santa Fe, CA	CK	(d)	Intellicom

(4) On or about the dates set forth in the table below, a salesperson at (a) TWCCI, while under the direction and control of defendants SHIELDS and HART, or (b) at ALD, while under the direction and control of defendants EVANGELIST and BOLLENBACH, caused to be mail via (c) USPS or (d) FedX, the following mail matter to the following victims, relating to the following offerings:

Ct	Date	ISO	Victim, City/State	Mail	Via	Offering
51	08/21/96	(a)	Ralph Hunt III, San Diego, CA	CD	USPS	I-Net Providers
52	10/17/96	(b)	John Wilkinson, Burlingame, CA	CD	USPS	Enternet
53	03/07/97	(b)	Margaret Brown-Ball, Encinitas, CA	CD	USPS	Enternet
54	04/01/97	(b)	Frank Gonsalves, Encinitas, CA	CD	FedX	ConnectKom

b. Mailings To Cooperating Witnesses.

(1) On or about the dates set forth in the table below, a salesperson at VOH, while under the direction and control of defendants SHIELDS, HART and SHEHYN, or MediaTech, while under the

direction and control of defendants EVANGELIST and BOLLENBACH, caused to be mailed, via FedX, a glossy brochure, legal memorandum, signature documents and other promotional materials to the following CWs, relating to the following offerings.

Ct	Date	Salesperson at	CW	Mail	Offering
55	07/19/96	VOH	CW-1-KS	CD	I-Net Providers
56	09/27/96	MediaTech	CW-1-KS	CD	Enternet

(2) On or about the dates set forth in the table below, defendants ROBINSON and DIAMAND, while salespersons at Granite and under the direction and control of T. Grayson, caused to be mailed, via FedX, a glossy brochure, legal memorandum, signature documents and other promotional materials (hereinafter "promo. materials") or a promotional videotape (hereinafter "promo. videotape") to the following CWs, relating to the following offerings.

Ct	Date	Defendant	CW	Mail	Offering
57	10/30/96	ROBINSON	CW-1-KS	Promo. Materials	Enternet
58	01/30/97	DIAMAND	CW-3-PC	Promo. Materials	Enternet
59	03/19/97	DIAMAND	CW-3-PC	Promo. Materials	ConnectKom
60	05/06/97	DIAMAND	CW-3-PC	Promo. Materials	Intellicom
61	05/09/97	DIAMAND	CW-1-KS	Promo. Materials	Intellicom
62	05/13/97	DIAMAND	CW-3-PC	Promo. Videotape	Intellicom
63	06/17/97	DIAMAND	CW-1-KS	Promo. Videotape	Intellicom

(3) On or about the dates set forth in the table below, defendant SANDERS, while a salesperson at ALD and under the direction and control of defendants EVANGELIST and BOLLENBACH, caused to be mailed, via FedX, promo. materials to the following CWs, relating to the following offerings.

Ct	Date	CW	Offering
64	05/20/97	CW-1-KS	Intellicom
65	05/29/97	CW-2-SF	Intellicom

(4) On or about the date set forth in the table below, defendant METOYER caused to be mailed, via FedX, promo. materials to the following CW relating to the following offering.

Ct	Date	CW	Offering
66	02/13/97	CW-5-BE	Enternet

All in violation of Title 18, United States Code, Sections 1341 and 2, and which offenses were committed in connection with the conduct of telemarketing, as set forth in Title 18, United States Code, Section 2325.

Count 67

[Title 18, U.S.C., Sec. 1956(h)]
[Conspiracy to Commit Money Laundering]
[All Defendants]

1. Paragraphs 1 through 3 of the Introductory Allegations are realleged and reasserted as if set forth in full herein.

2. Beginning on or about July 1, 1994 and continuing to and including a date unknown to the grand jury, but at least until September 1, 1998, in the Southern District of California and elsewhere, the defendants MARC DAVID LEVINE, JONATHAN EDWARD SHOUCAIR, JAMES MICHAEL LEONARD, ROBERT HARRY SHIELDS, ROBERT TERRANCE HART, MARK DARREN McCLAFFERTY, EUGENE DONALD EVANGELIST, JR., KENT BOLLENBACH, BRENT DOUGLAS MORRIS, MICHAEL OWEN GRAYSON, JOSEPH ANTHONY MARFOGLIA, SYLVAN MORGAN METOYER, III, RODNEY SCOTT SHEHYN, DAVID ZEIDEL DIAMAND, JAMES THOMAS RISSMILLER, ANTHONY MATTHEW CASTRIOTTA, MARK ALLEN JACONSKI, STEPHEN JAMES ROBINSON, DANIEL SANDERS, RICHARD YORK, the persons listed as "charged elsewhere" in paragraph 3 of the Introductory Allegations, and others known and unknown to the grand jury did knowingly combine, conspire, and agree with each other, and with other persons known and unknown to the Grand Jury to commit offenses against the United States in violation of Title 18, United States Code, Sections 1956 and 1957, to wit:

a. to knowingly conduct and attempt to conduct financial transactions affecting interstate commerce and foreign commerce, which transactions involved the proceeds of specified unlawful activity, that is, mail fraud, in violation of Title 18, United States Code, Section 1341, wire fraud, in violation of Title 18, United States Code, Section 1343, and securities fraud, in violation of Title 15,

1 United States Code, Section 78(j), with the intent to promote the carrying on of such specified unlawful
2 activity, and that while conducting and attempting to conduct such financial transactions, knew that the
3 property involved in the financial transactions represented the proceeds of some form of unlawful
4 activity, in violation of Title 18, United States Code, Section 1956(a)(1)(A)(i);

5 b. to knowingly conduct and attempt to conduct financial transactions affecting interstate
6 commerce and foreign commerce, which transactions involved the proceeds of specified unlawful
7 activity, that is, mail fraud, in violation of Title 18, United States Code, Section 1341, wire fraud, in
8 violation of Title 18, United States Code, Section 1343, and securities fraud, in violation of Title 15,
9 United States Code, Section 78(j), knowing that the transactions were designed in whole or in part to
10 conceal and disguise the nature, location, source, ownership, and control of the proceeds of specified
11 unlawful activity, and that while conducting and attempting to conduct such financial transactions,
12 knew that the property involved in the financial transactions represented the proceeds of some form of
13 unlawful activity, in violation of Title 18, United States Code, Section 1956(a)(1)(B)(i);

14 c. to transport, transmit, or transfer, or attempt to transport, transmit, or transfer a monetary
15 instrument or funds involving the proceeds of specified unlawful activity, that is, mail fraud, in
16 violation of Title 18, United States Code, Section 1341, wire fraud, in violation of Title 18, United
17 States Code, Section 1343, and securities fraud, in violation of Title 15, United States Code, Section
18 78(j), from a place in the United States to or through a place outside the United States, knowing that
19 the monetary instrument or funds involved in the transportation, transmission, or transfer represented
20 the proceeds of some form of unlawful activity and knowing that such transportation, transmission, or
21 transfer was designed in whole or in part to conceal and disguise the nature, location, source,
22 ownership, or control of the proceeds of specified unlawful activity, in violation of Title 18, United
23 States Code, Section 1956(a)(2)(B)(i).

24 d. to knowingly conduct and attempt to conduct a financial transaction affecting interstate
25 and foreign commerce which involved the proceeds of a specified unlawful activity, that is, mail fraud,
26 in violation of Title 18, United States Code, Section 1341, wire fraud, in violation of Title 18, United
27 States Code, Section 1343, and securities fraud, in violation of Title 15, United States Code,
28 Section 78(j), knowing that the transaction was designed in whole and in part to avoid a transaction

1 reporting requirement under federal law and that while conducting and attempting to conduct such
2 financial transaction knew that the property involved in the financial transaction, that is monetary
3 instruments represented the proceeds of some form of unlawful activity, in violation of Title 18, United
4 States Code, Section 1956(a)(1)(B)(ii).

5 e. to knowingly engage and attempt to engage, in monetary transactions by, through or to
6 a financial institution, affecting interstate and foreign commerce, in criminally derived property of a
7 value greater than \$10,000, that is the deposit, withdrawal, or transfer of funds, such property having
8 been derived from a specified unlawful activity, that is: mail fraud, in violation of Title 18, United
9 States Code, Section 1341, wire fraud, in violation of Title 18, United States Code, Section 1343, and
10 securities fraud, in violation of Title 15, United States Code, Section 78(j), contrary to the provisions
11 of Title 18, United States Code, Section 1957.

12 **Primary Purpose of the Conspiracy**

13 3. It was the purpose of the conspiracy to launder the proceeds received from the victims of the
14 scheme and artifice to defraud described in Paragraphs 5 through 7 of Count 1 and employed in
15 Counts 2 through 66 (hereinafter "the fraud described above").

16 **Manner and Means**

17 4. The manner and means used to accomplish the objectives of the conspiracy included, among
18 others, the following:

19 a. From July 28, 1994 to June 26, 1997, defendants LEVINE, SHOUCAIR, SHIELDS and
20 HART, and Itskowitz, Rearick, Lopuszynski, Courtney, and Reisner and others, deposited, or had
21 deposited, \$49,050,378 in client funds by checks and wire transfers to the various investor bank
22 accounts located within the United States, as described in paragraph 3 of the Introductory Allegations.

23 **Promotion: 18 U.S.C. § 1956(a)(1)(A)(i)**

24 b. From August 2, 1994 to June 24, 1997, defendants LEVINE and SHOUCAIR and
25 Itskowitz, Rearick, Lopuszynski, Courtney, and Reisner and others, then transferred \$43,050,623.49
26 in said client funds by checks and wire transfers to the various operating accounts for the above-
27 referenced offerings, which were located within the United States, as described in paragraph 3 of the
28 Introductory Allegations.

c. Defendants LEVINE and SHOUCAIR, and Itskowitz, Rearick, Lopuszynski, Courtney and Green and others transferred, by check and wire transfers, the following amounts to the boiler rooms/ISOs operated by the defendants and others set forth below, for the purpose of promoting the fraud described above during the dates set forth below:

Defendant(s)	Dates	Amount	ISO
SHOUCAIR Engelhardt	10/20/94-05/16/96	\$2,777,680.88	Madison, Tower, Venture One
SHIELDS, HART SHEHYN	06/19/95-10/30/96	\$9,771,645.75	Capital Link, TWCCI
EVANGELIST BOLLENBACH	11/22/94-06/26/97	\$3,732,768.07	Livestock, MediaTech, ALD
MORRIS	11/04/94-06/26/97	\$3,547,614.56	Lion's Share, Selective Network, Perspective
GRAYSON	07/11/96-06/12/97	\$ 251,670.00	Money Makers
MARFOGLIA	09/12/96-05/27/97	\$ 174,763.00	New Age
METOYER	10/11/96-04/17/97	\$ 57,188.00	FMG, Dealmakers M-III Associates
T. Grayson	10/27/94-06/26/97	\$3,527,498.74	Brookside, Granite

d. Between February 13, 1996 and June 13, 1997, defendants LEVINE, SHOUCAIR, SHIELDS and HART, and Itskowitz, Rearick, Lopuszynski, and Courtney and others transferred \$192,439.88 in recruiting fees by check and wire transfers to defendant McCLAFFERTY for the purpose of promoting the fraud described above.

e. Between the dates set forth below, defendants LEVINE and SHOUCAIR, and Itskowitz, Rearick, Lopuszynski, and Courtney disbursed funds to the various boiler rooms/ISOs which the boiler rooms/ISOs then disbursed by means of check and wire to salespersons who sold the offerings described on the dates and in the amounts set forth below, for the purpose of promoting the fraud described above.

Defendant/Others Disbursing Funds	Boiler Room/ISO	Dates	Defendant Receiving	Amount Disbursed
T. Grayson	Brookside, Granite	12/30/94-06/20/97	DIAMAND	\$867,667.00

Defendant/Others Disbursing Funds	Boiler Room/ISO	Dates	Defendant Receiving	Amount Disbursed
MORRIS	Selective, Network Perspective	12/22/95-06/20/97	RISSMILLER	\$252,344.05
EVANGELIST BOLLENBACH	Livestock MediaTech, ALD	03/29/96-06/20/97	CASTRIOTTA	\$183,490.00
MORRIS	Selective, Network Perspective	02/17/95-05/09/97	JACONSKI	\$153,829.71
T. Grayson	Brookside, Granite	05/26/95-06/20/97	ROBINSON	\$126,139.00
EVANGELIST BOLLENBACH	Livestock MediaTech, ALD	03/24/95-05/30/97	SANDERS	\$102,550.00
EVANGELIST BOLLENBACH	Livestock MediaTech, ALD	12/02/94-06/20/97	YORK	\$144,864.50

Concealment: 18 U.S.C. §§ 1956(a)(1)(B)(i) and (a)(2)(B)(i)

5. It was part of the conspiracy to defraud and among the manner and means used to execute it that:

a. From on or about October 19, 1994 to on or about February 6, 1997, defendants LEVINE and SHOUCAIR, and Itskowitz, Rearick, Lopuszynski, Courtney and Reisner and others, transferred \$6,429,738.37 by checks and wire transfers from the investors operating accounts referenced above to nominee accounts located within the United States, including the entities known as Frontline Consulting and World Net Consulting, in order to prevent the Securities and Exchange Commission, the Federal Trade Commission and the Department of the Treasury from determining the true promoters of the offerings in order to conceal specific monies each defendant received from the fraud described above.

b. Defendants LEVINE, SHOUCAIR, SHIELDS, HART, EVANGELIST, BOLLENBACH, MORRIS, METOYER, SHEHYN, DIAMAND, RISSMILLER, CASTRIOTTA, JACONSKI, SANDERS and YORK and Itskowitz, Rearick, Lopuszynski, Courtney, T. Grayson and Reisner and others, transferred funds by checks and wire transfers to nominee accounts located within the United States, including transfers to the accounts of family members and the client trust accounts of defendant LEONARD and Wellman, on the dates, in amounts and to the entities set forth below, to conceal specific monies each defendant received from the fraud described above:

Transfers to Family Members

Defendant-Others	Dates	Amount	How Negotiated
LEVINE	08/10/95- 02/20/96	\$400,000	Deposits into nominee accounts, including names of family members
Rearick	07/25/96- 11/12/96	\$277,011	Issued checks to nominee accounts, including family members

Transfers to Attorneys

Defendant-Others	Dates	Amount	How Negotiated
LEVINE	12/04/96- 02/26/97	\$110,521	Deposits of checks into client trust account of defendant LEONARD
Itskowitz	02/26/96- 03/27/97	\$469,331	Deposits of checks into client trust account of defendant LEONARD (\$371,811) and Wellman (\$97,500)
Rearick	05/10/95- 11/04/96	\$449,000	Deposits of checks into client trust account of defendant LEONARD (\$312,000) and Wellman (\$137,000)

Transfers to or by Nominee Corporate & "dba" Accounts

Defendant-Others	Dates	Amount	How Negotiated
SHOUCAIR	01/30/95- 08/13/96	\$674,766	Issued checks payable to Arctype, includes deposits to Arctype for \$395,438
SHOUCAIR	09/13/96- 12/04/96	\$143,000	Deposits into Viotech account
SHOUCAIR	10/30/96	\$ 6,000	Deposit into Leads R Us account
SHIELDS, HART	07/25/96	\$ 40,000	Wire transfer into Capco Unlimited account
EVANGELIST	12/07/94- 06/20/97	\$665,559	Deposits into CFS and Microshop accounts
METOYER	10/11/96- 04/12/97	\$ 57,188	Negotiation of checks payable to Dealmakers, FMG and M-III Associates
SHEHYN	05/08/95- 10/25/95	\$ 13,247.02	Deposits into Meridian accounts
DIAMAND	01/19/95- 06/20/97	\$845,577	Deposits into Velocity Pacific and Diamand Interactive
MORRIS RISSMILLER	05/16/97- 06/20/97	\$ 9,990.27	Issued checks to Ticket Stubs

Defendant-Others	Dates	Amount	How Negotiated
EVANGELIST BOLLENBACH CASTRIOTTA	09/10/96- 06/20/97	\$114,990	Issued checks payable to Big Shot
MORRIS JACONSKI	06/06/97- 06/20/97	\$ 4,862	Issued checks payable to Carpe Diem
EVANGELIST BOLLENBACH SANDERS	03/24/95- 05/30/97	\$100,050	Issued checks payable to Spartan Realty and Spartan International
EVANGELIST BOLLENBACH YORK	02/17/95- 05/26/95	\$ 35,514.50	Issued checks payable to Azimut
Lopuszynski Courtney	07/12/95- 11/20/95	\$641,500	Deposits to Ultravision account including \$82,000 from Link 900 offering
Courtney	12/04/95- 12/09/96	\$731,547.23	Negotiated checks to Telemex and Frontier accounts (including \$326,452.23 from Plaza Partners and I-Net Providers offerings)

Transfers to Trusts

Defendant-Others	Dates	Amount	How Negotiated
DIAMAND	01/27/97- 05/30/97	\$114,500	Deposits to Foundation account
T. Grayson	09/22/95- 12/21/95	\$ 89,022	Deposits to King Family Trust account

c. Defendants LEVINE, SHOUCAIR, LEONARD, MORRIS, and Itskowitz, T. Grayson and others, transferred funds by check or wire transfer to nominee accounts, some of which were located in foreign countries, including transfers from the above-described accounts of the client trust accounts of defendant LEONARD, on the dates, in the amounts and to the entities set forth below, to conceal specific monies each defendant received from the fraud described above:

Defendant	Dates	Amount	How Transferred
LEVINE SHOUCAIR Itskowitz	02/11/97- 06/26/97	\$567,601	Wire transfer from investor accounts to "SkyTel," "Stingray," & "Raheem" accounts
LEVINE	12/08/97	\$496,116.28	Wire transfer from Smith Barney via Chase Manhattan Bank to Royal Bank of Canada
LEVINE	12/08/97	\$496,116.28	Wire transfer from Royal Bank of Canada to foreign account in Turks & Caicos Islands

Defendant	Dates	Amount	How Transferred
LEVINE LEONARD	01/22/97- 02/28/97	\$104,612	Wire transfer from defendant LEONARD client trust to Grand Caymans account
SHOUCAIR	09/13/96	\$ 15,000	Wire transfer from investors account to Miller & Simon Trust account in Turks & Caicos Islands
MORRIS	04/14/97- 07/22/97	\$ 85,000	Wire transfer from ISO accounts to Top Comm. account in Hong Kong

d. From on or about April 7, 1997 to on or about April 13, 1997, defendants LEVINE and SHOUCAIR, and Itskowitz and Reisner and others, negotiated checks payable to cash, totaling \$27,500, from the CONNECTKOM investor operating account referenced above, in order to conceal specific monies each defendant received from the fraud described above.

e. From on or about November 19, 1996 to on or about November 25, 1996, defendant LEVINE caused Courtney to transfer \$54,655 by wire transfers from the investor operating account referenced above to Courtney's nominee account in the name of Frontier, and then to defendant LEVINE, in order to conceal specific monies each defendant received from the fraud described above.

f. Between on or about April 17, 1996 and on or about June 26, 1997, defendant LEONARD provided false and fraudulent documentation to T. Grayson to establish an off-shore account in the Cook Islands at Barclays Bank to conceal specific monies each defendant received from the fraud described above.

Avoidance of Reporting Requirement: 18 U.S.C. § 1956(a)(1)(B)(ii)

6. Defendants LEVINE, SHOUCAIR and LEONARD, and Itskowitz, Rearick, Lopuszynski, Courtney, Reisner and Wellman and others, converted funds to currency in amounts of less than \$10,000, on the dates, in the manner and in the amounts set forth below, to avoid Currency Transaction Reports from being completed by financial institutions:

Defendant-Others	Dates	Amount	How Negotiated For Currency
LEVINE	09/12/95- 11/01/96	\$333,395	Negotiated from bank withdrawals
SHOUCAIR	11/28/95- 02/06/97	\$180,900	Negotiated from bank withdrawals

Defendant-Others	Dates	Amount	How Negotiated For Currency
LEONARD Itskowitz	12/04/95- 02/28/97	\$476,500	Negotiated client trust account checks
Itskowitz Wellman	11/28/95- 05/03/96	\$149,000	Negotiated checks from client trust account
Itskowitz	03/30/95- 10/24/96	\$329,840	Converted commission checks
Rearick	12/30/94- 09/13/96	\$333,917.50	Converted commission checks
Lopuszynski	03/29/95- 05/24/95	\$ 26,250	Converted commission payments
Courtney	05/10/95- 09/12/96	\$296,880	Converted commission payments

Engaging In An Illegal Monetary Transaction: 18 U.S.C. § 1957

7. It was further part of the conspiracy that between on or about October 12, 1994 and on or about September 4, 1998, defendants LEVINE, SHOUCAIR, LEONARD, McCLAFFERTY, EVANGELIST, BOLLENBACH, MORRIS, DIAMAND, and RISSMILLER, and Itskowitz, Rearick, Lopuszynski, Courtney, Reisner, Engelhardt, Widmer, Slaton, Nachamkin, Perelman, T. Grayson, Wellman, and Green, knowingly engaged, and attempted to engage, in monetary transactions by, through or to various financial institutions, affecting interstate and foreign commerce, in property of values greater than \$10,000.00, derived from fraud described above, including the deposit, withdrawal, or transfer of funds. All in violation of Title 18, United States Code, Section 1956(h).

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Counts 68 through 78

[Title 18 U.S.C., Sec. 1956(a)(1)(A)(i) - Money Laundering (Promotion)]
[Title 18, U.S.C., Sec. 2 - Aiding and Abetting]
[All Defendants]

1. Paragraph 1 through 3 of the Introductory Allegations are realleged and reasserted as if set forth in full herein.

2. On or about the dates listed below, within the Southern District of California and elsewhere, knowing that the property detailed below represented the proceeds of some form of unlawful activity, defendants MARC DAVID LEVINE, JONATHAN EDWARD SHOUCAIR, JAMES MICHAEL LEONARD, ROBERT HARRY SHIELDS, ROBERT TERRANCE HART, MARK DARREN McCLAFFERTY, EUGENE DONALD EVANGELIST, JR., KENT BOLLENBACH, BRENT DOUGLAS MORRIS, MICHAEL OWEN GRAYSON, JOSEPH ANTHONY MARFOGLIA, SYLVAN MORGAN METOYER, III, RODNEY SCOTT SHEHYN, DAVID ZEIDEL DIAMAND, JAMES THOMAS RISSMILLER, ANTHONY MATTHEW CASTRIOTTA, MARK ALLEN JACONSKI, STEPHEN JAMES ROBINSON, DANIEL SANDERS, RICHARD YORK, and the persons listed as "charged elsewhere" in paragraph 3 of the Introductory Allegations, and others known and unknown to the grand jury, as set forth below, conducted and attempted to conduct the below listed financial transactions affecting interstate and foreign commerce which involved the proceeds of specified unlawful activity, that is mail fraud, wire fraud, and securities fraud, with the intent to promote the carrying on of said specified unlawful activity:

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Count	Transferring Defendant(s)	Receiving Defendant(s)	Date	Financial Transaction
68	EVANGELIST BOLLENBACH	SANDERS	06/14/96	Negotiation of MediaTech check #1158 for \$7,000 to Spartan Realty
69	LEVINE SHOUCAIR	EVANGELIST BOLLENBACH	08/01/96	Wire transfer for \$86,085 from World Net Dev. Union Bank Acct #1290020014 to Bank of America MediaTech Acct #380212498
70	EVANGELIST BOLLENBACH	BOLLENBACH	11/14/96	Negotiation of ALD check #130 for \$14,780
71	EVANGELIST BOLLENBACH	EVANGELIST	11/15/96	Negotiation of MediaTech check #131 for \$15,130.05 to Microshop
72	EVANGELIST BOLLENBACH	CASTRIOTTA	11/27/96	Negotiation of ALD Check #148 for \$9,000 to Big Shot
73	LEVINE SHOUCAIR	EVANGELIST BOLLENBACH	12/24/96	Wire transfer for \$65,611 from Enternet 2000 Union Bank Acct #1290022580 to ALD Wells Fargo Bank Acct #0849523261
74	LEVINE SHOUCAIR	EVANGELIST BOLLENBACH	03/28/97	Wire transfer for \$58,384 from ConnectKom Union Bank Acct #1290035216 to ALD Wells Fargo Bank Acct #0849523261
75	EVANGELIST BOLLENBACH	BOLLENBACH	05/09/97	Negotiation of ALD check #534 for \$12,268
76	EVANGELIST BOLLENBACH	EVANGELIST	05/09/97	Wire transfer for \$12,403 ALD Wells Fargo Bank Acct #0849523261 to Microshop Dean Writer Acct #065203492003
77	LEVINE SHOUCAIR	EVANGELIST BOLLENBACH	06/19/97	Wire transfer for \$53,349 from Intellicom Santa Monica Bank Acct #0006060323 to ALD Wells Fargo Bank Acct #0849523261
78	EVANGELIST BOLLENBACH	YORK	06/20/97	Negotiation of ALD check #653 for \$12,500 to Azimut - Richard YORK

1 All in violation of Title 18, United States Code, Sections 1956(a)(1)(B)(i) and 2.

2 Counts 79 and 80

3 [Filing a False Tax Return - 26 U.S.C. Sec. 7206(1)]
4 [Defendant EUGENE DONALD EVANGELIST, JR.]

5 On or about the dates set forth below, defendant EUGENE DONALD EVANGELIST, JR., in the
6 Southern District of California and elsewhere, did willfully make and subscribe a false U.S. Individual
7 Income Tax Return, Form 1040, for the year stated, which was verified by a written declaration that
8 it was made under the penalties of perjury and was filed with the Internal Revenue Service, which said
9 return the defendant did not believe to be true and correct as to every material matter, in that said return
10 falsely reported defendant's total income on line 22 of the return to be the amount set forth below,
11 which defendant EUGENE DONALD EVANGELIST, JR. then and there well knew and believed was
12 a false and substantially understated amount.

<u>Count</u>	<u>Date</u>	<u>Tax Year</u>	<u>False Amount</u>
79	10/30/97	1995	\$44,997.00
80	11/10/97	1996	\$44,251.00

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14
15 All in violation of Title 26, United States Code, Section 7206(1).

16 Counts 81 through 83

17 [Filing a False Tax Return - 26 U.S.C. Sec. 7206(1)]
18 [Defendant EUGENE DONALD EVANGELIST, JR.]

19 On or about dates set forth below, defendant EUGENE DONALD EVANGELIST, JR., in the
20 Southern District of California and elsewhere, did willfully make and subscribe a false U.S.
21 Corporation Income Tax Return, Form 1120-A, for the year and in the name of the corporation set forth
22 below, which was verified by a written declaration that it was made under the penalties of perjury and
23 was filed with the Internal Revenue Service, which said return the defendant did not believe to be true
24 and correct as to every material matter, in that said return falsely reported as the annual gross receipts
25 of the respective corporation., on line 1c of the return, which defendant EUGENE DONALD
26 EVANGELIST, JR. then and there well knew and believed was false in that the claimed receipts of the
27 respective corporation, constituted individual income of defendant for the tax year set forth below.

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<u>Count</u>	<u>Date</u>	<u>Tax Year</u>	<u>Corporation</u>	<u>False Amount</u>
81	04/10/96	1995	Cable Financial Services, Inc.	\$360,045.00
82	04/14/97	1996	Cable Financial Services, Inc.	\$ 22,064.00
83	04/10/97	1996	Microshop, Inc.	\$166,640.00

All in violation of Title 26, United States Code, Section 7206(1).

Counts 84 through 86

[Tax Evasion – 26 U.S.C. Sec. 7201]
[Defendant KENT BOLLENBACH]

During the calendar year set forth below, defendant KENT BOLLENBACH had and received substantial taxable income on which he owed to the United States of America a substantial income tax. Well-knowing and believing that he had taxable income and a tax due and owing, defendant KENT BOLLENBACH, in the Southern District of California and elsewhere, did willfully attempt to evade and defeat this income tax due and owing by him to the United States of America for the calendar year set forth below, by failing to file an income tax return on or before April 15th of the year following the calendar year set forth below, as required by law, to any proper officer of the Internal Revenue Service, failing to pay to the Internal Revenue Service the income tax due and owing, and committing the following affirmative acts of evasion, the likely effect of each of which would be to mislead or conceal his true and correct income and taxes due thereon from proper officers of the United States of America, to wit, (1) the conversion of commission checks to currency, (2) the extensive use of currency, and (3) the making of false statements to the office manager of Livestock/MediaTech/ALD.

<u>Count</u>	<u>Tax Year</u>	<u>Due Date of Return</u>
84	1995	April 15, 1996
85	1996	April 15, 1997
86	1997	April 15, 1998

All in violation of Title 26, United States Code, Section 7201.

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Criminal Forfeiture Allegation 1

[Title 18, U.S.C., Sec. 982(a)(1) and Title 18, U.S.C., Sec. 1956(h)]
[All Defendants]

1. Paragraphs 1 through 3 of the Introductory Allegations and paragraphs 1 through 7 of Count 67 are realleged and reasserted as if set forth in full herein.

2. As a result of the commission of the foregoing offenses alleged in Count 67 of this Indictment, defendants MARC DAVID LEVINE, JONATHAN EDWARD SHOUCAIR, JAMES MICHAEL LEONARD, ROBERT HARRY SHIELDS, ROBERT TERRANCE HART, MARK DARREN McCLAFFERTY, EUGENE DONALD EVANGELIST, JR., KENT BOLLENBACH, BRENT DOUGLAS MORRIS, MICHAEL OWEN GRAYSON, JOSEPH ANTHONY MARFOGLIA, SYLVAN MORGAN METOYER, III, RODNEY SCOTT SHEHYN, DAVID ZEIDEL DIAMAND, JAMES THOMAS RISSMILLER, ANTHONY MATTHEW CASTRIOTTA, MARK ALLEN JACONSKI, STEPHEN JAMES ROBINSON, DANIEL SANDERS and RICHARD YORK shall forfeit to the United States any and all property, real or personal, involved in the offense charged, or any property traceable therefrom, including but not limited to approximately \$43,050,378.00, for which the defendants are jointly and severally liable, in that such sums constitute the property involved in the criminal violations alleged above, or is property traceable therefrom; in violation of Title 18, United States Code, Section 982(a)(1).

SUBSTITUTE ASSETS

If any of the above-described forfeitable property alleged in Criminal Forfeiture Allegation 1 of the Indictment, as a result of any act or omission of the defendants: (1) cannot be located upon the exercise of due diligence; (2) has been transferred or sold to, or deposited with, a third person; (3) has been placed beyond the jurisdiction of the Court; (4) has been substantially diminished in value; or (5) has been commingled with other property which cannot be subdivided without difficulty, it is the intent of the United States, pursuant to Title 21, United States Code, Section 853(p) - made applicable by Title 18, United States Code, Section 982(a)(1) - to seek forfeiture of any other property of said defendant up to the value of the above forfeitable property.

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1 All in violation of Title 18, United States Code, Section 982 and Title 21, United States Code, Section
2 853.

3 **Criminal Forfeiture Allegation 2**

4 [Title 18, U.S.C., Sec. 982(a)(1) and Title 18, U.S.C., Sec. 1956(a)(1)(A)(i)]
5 [All Defendants]

6 1. Paragraphs 1 through 3 of the Introductory Allegations and Counts 68 through 78 are realleged
7 and reasserted as if set forth in full herein.

8 2. As a result of the commission of the foregoing offenses alleged in Counts 68 through 78 of this
9 Indictment, defendants MARC DAVID LEVINE, JONATHAN EDWARD SHOUCAIR, JAMES
10 MICHAEL LEONARD, ROBERT HARRY SHIELDS, ROBERT TERRANCE HART, MARK
11 DARREN McCLAFFERTY, EUGENE DONALD EVANGELIST, JR., KENT BOLLENBACH,
12 BRENT DOUGLAS MORRIS, MICHAEL OWEN GRAYSON, JOSEPH ANTHONY MARFOGLIA,
13 SYLVAN MORGAN METOYER, III, RODNEY SCOTT SHEHYN, DAVID ZEIDEL DIAMAND,
14 JAMES THOMAS RISSMILLER, ANTHONY MATTHEW CASTRIOTTA, MARK ALLEN
15 JACONSKI, STEPHEN JAMES ROBINSON, DANIEL SANDERS and RICHARD YORK shall
16 forfeit to the United States any and all property, real or personal, involved in the offense charged, or
17 any property traceable therefrom, including but not limited to approximately \$346,510.05, for which
18 the defendants are jointly and severally liable, in that such sums constitute the property involved in the
19 criminal violations alleged above, or is property traceable therefrom; in violation of Title 18, United
20 States Code, Section 982(a)(1).

21 3. The notice of the intent of the United States to seek substitute assets set forth in Criminal
22 Forfeiture Allegation 1 is realleged and reasserted as if set forth in full herein.

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1 All in violation of Title 18, United States Code, Section 982 and Title 21, United States Code, Section
2 853.

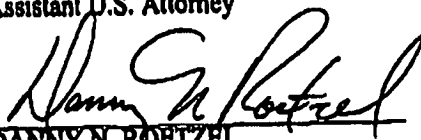
3 DATED: April 27, 2001.

4 A TRUE BILL:

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6 
Foreperson

7
8 GREGORY A. VEGA
United States Attorney

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10 
11 STEVEN A. PEAK
Assistant U.S. Attorney

12
13 
14 DANNY N. ROETZEL
Special Assistant U.S. Attorney

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